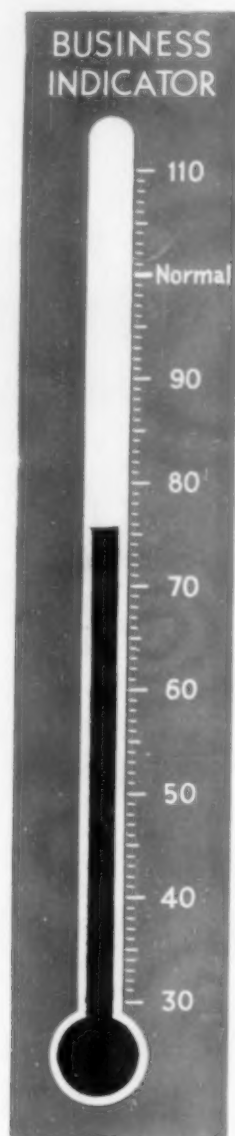


con-  
espe-  
the  
who  
e are  
n in

# THE

JULY 15, 1931

# BUSINESS WEEK



Security and commodity markets show the enervating effects of unduly drawn-out dickering over the debt moratorium and of increased skepticism regarding its adequacy in meeting the European emergency—both undoubtedly the outcome of exaggerated and impatient expectations . . . . Our index for the latest week registers some light reaction from the sharp slackening of business in June, but it is still too early, and too contrary to the usual seasonal trend, to expect any conclusive evidence of the immediate influence on the level of production and trade of new psychological and financial factors now in the picture. The stabilization of commodity prices in June is clearly encouraging, as are many indications of strength in the domestic business structure . . . . The outcome of the seriously strained situation in Germany is still uncertain, and the direction of domestic Federal Reserve policy cannot as yet be definitely determined. But the European outlook has unquestionably improved as a result of the moratorium move and energetic international financial cooperation, and the apparent indications are that the Federal Reserve authorities have embarked at last on an aggressive expansion policy through open market operations . . . . Such a policy is not only enforced by the necessities of the situation but supported by the unparalleled credit position of the Reserve System. If it is pursued persistently, every precedent of previous periods of recovery from depression points plainly toward progressive and possibly rapid improvement.

15 CENTS

MCGRAW-HILL PUBLISHING CO., INC.

UNIVERSITY OF MICHIGAN  
GENERAL LIBRARY  
ANN ARBOR MICH

These people have found  
a quick way to get better  
operating records for less  
money.

"HANDLES DOUBLE THE  
ACCOUNTS YET SAVES  
\$1200 ANNUALLY"  
OIL COMPANY IN OHIO

"1200 POSTINGS DAILY  
COMPARED WITH 500  
FROM PREVIOUS MACHINE"  
PUBLISHING HOUSE

"REDUCES PREMIUM  
NOTICE OPERATIONS  
FROM 16 TO 11"  
LIFE INSURANCE COMPANY

SAVED  
DAILY

"NIGHT POSTING TIME CUT  
FROM 9 HOURS TO 6"  
WHOLESALE GROCERS

"THREE MACHINES SAVE  
\$2200 BY DOING 170%  
MORE WORK"  
CHEESE MANUFACTURER

"10% MORE WORK WITH  
TWO LESS PERSONS"  
SHOE MANUFACTURER

"STATEMENTS MAILED ON  
1ST INSTEAD OF 10TH OF  
MONTH"  
MANUFACTURER OF TOILET ARTICLES

"WE CAN POST DATE,  
CODE NUMBER AND PRICE  
AT A SINGLE STROKE"  
PACKING MATERIAL MANUFACTURER

Unvarnished statements, these. From users of the Dalton Bookkeeping Machine. Their savings are the rule and not the exception. For the Dalton puts accounting on a mechanical production basis. Better business control and a lower overhead follow almost automatically. And it is significant that the majority of Daltons are sold to companies who have previously used other makes of machines. Ask the Remington Rand man to give you expert advice on your accounting problems. Or write for fact-full literature which explains why the Dalton saves so much.

DALTON DIVISION

**Remington Rand**  
BUSINESS SERVICE

EXECUTIVE OFFICES, BUFFALO, N. Y. . . . SALES OFFICES IN ALL PRINCIPAL CITIES



THE BUSINESS WEEKLY is published by The Magazine of Business, Inc. No. 31. Published weekly by McGraw-Hill Publishing Company, Inc., 1221 Avenue of the Americas, New York, N. Y. James H. McGraw, Chairman of the Board; M. J. McQuinn, President; James H. McGraw, Jr., Vice-President & Treasurer; C. H. Thompson, Secretary. \$5.00 per year, 10¢ per copy. Entered as second-class matter February 13, 1920, at the Post Office at New York, N. Y., under the act of March 3, 1879. Printed in U. S. A. Copyright 1921 by McGraw-Hill Publishing Company, Inc.

# What's In This Issue —And Why

## Moratorium

WITH the debt holiday officially declared, only technical details remain to be settled—chiefly concerning deliveries-in-kind. Delayed announcement created uncertainty. (page 5)

## Germany

WHAT the moratorium will do for Germany; the essential details of reparations relief and their effect on German—and world—business. (page 5)

## Glove Boom

THE glove makers of Fulton County, N. Y., keep hand in glove with fashion, enjoy a quiet prosperity in the midst of depression. (page 22)

## Automobiles

JUNE production was away off, but several companies—notably Auburn, General Motors, and Reo—bettered their June, 1930, output. Chrysler's new Plymouth increases Ford's competition in the low-priced field. (page 9)

BORG-WARNER believes that buyers need something to get excited about—something like free-wheeling or laminated steel. (page 10)

## Wheat

THE Farm Board, asking acreage reduction, preferred to say nothing that sounded like higher prices, but politics and the grain trade forced a statement of policy. (page 31)

## Overhead

OFF on a debt holiday, business, which pays the bills, is asking questions about government overhead in every country. A survey by *The Business Week's* European Bureau gives the answers. (page 34)

## Taxes

WITH real estate wearied of being their main source of support, local governments are find-

ing it harder to keep taxes on the up and up; North Carolina, particularly, curbs its spend-thrift cities and towns by a finance commission with absolute power. (page 18)

## Coal

SECRETARY LAMONT's conference will do some good by getting the miners and the operators on speaking terms again. (page 7)

## Radio

LITIGATION is the radio-maker's burden; RCA may follow General Motors' experience, wash out its lawsuits in a patent pool. (page 8)

## Railroads

THOSE crack "name" trains, so often called extravagance by critics of the roads, are really big money makers. (page 28)

## Finance

BUSINESS preferred bonds in the first half-year's financing, and the bulk of its new securities carried coupons; depression kept the total lower than any year since 1926. (page 21)

## Utilities

LEGISLATORS, busy with taxes and troubles, seldom looked at the public utilities this season; nevertheless, federal, state, and local governments are keeping them very much "under observation." (page 14)

CHICAGO will be burning natural gas, piped from the Texas fields, this fall; consumers have been educated to pay for heat, rather than for volume. (page 17)

## Canada

PREMIER BENNETT calls unemployment a "national calamity" and the Dominion may deal directly with the emergency; one plan is a semi-military mobilization of single men to work on the transcontinental highway. (page 30)

## Mr. Dublin

IN which he explains the part sex plays, and how letting nature take its course cures depressions. (page 47)



For low cost handling of sales distribution the Comptometer with a Comptometer peg board and a trained operator is unsurpassed

"The Battle of Business for Profits", by Donald Wilhelm. Reprint from World's Work sent free on request to executives



# Why Wait for your Directors to Decide?

"The fact is," said the president addressing his directors, "we have had a very unsatisfactory year. We shall have to pass our dividend."

The directors—stunned—shot harsh questions at an embarrassed president. Arguments ensued.

And why not? A business hitherto highly profitable was in jeopardy. Dividends expected were not forthcoming. Worse still, the president could not put his finger on the source of the trouble. Some one thing—or things—had gone wrong? But what?

This episode is not fantastic. During the past eighteen months hundreds of business men—yes, thousands—have had to face the same situation. Thousands of business executives would have given a great deal in time and money to know definitely and accurately *where* the profits went—*when* they went—and *why*.

## Decide?

But why wait for your directors to embarrass you? Why not get, as every concern *must* get to reach the full limit of profit, a complete and accurate story of just where your business stands *every day*?

In thousands of cases Comptometer business analysts—skilled in the application of figures to bigger profits—have helped to remedy just such situations as that pictured above.

Without cost or obligation on your part the Comptometer man is willing to analyze your problem. For more than thirty years—on this

same basis of free analysis—he has helped many businesses in your line. Why not learn today if he can help you?

Your telephone directory will give you the address of the nearest Comptometer office, or, if you prefer, write.

FELT & TARRANT MFG. CO.,  
1733 No. Paulina St., CHICAGO, ILL.



If not  
made by  
Felt & Tarrant  
it's not a  
Comptometer

CONTROLLED-KEY  
**Comptometer**  
REGISTERED TRADE MARK  
ADDING AND CALCULATING MACHINE

Only the  
Comptometer  
has the  
Controlled-Key  
safeguard



# THE BUSINESS WEEK

*The Journal of Business News and Interpretation*

News of the week ending July 11, 1931

## Business Hails Debt Holiday But Watches German News

**Long-term outlook is hopeful; immediate results depend on Reich's recuperative power**

FINAL acceptance by France (with 3 technical reservations) has made the Hoover Plan for a 1-year war debt holiday a reality. Germany automatically is freed of the necessity of meeting \$250 millions of reparations payments due between July 1, 1931, and June 30, 1932, and is to have the use, under guarantees, of the additional \$157 millions of unconditional payments.

Of the 3 technical reservations demanded by France, the most important is the question of adjusting problems relating to deliveries-in-kind. London has already called a conference of experts (including an unofficial American observer) to convene July 17 to deal with these special problems.

Germany, meanwhile, has been faced with a new drain on foreign capital, has succeeded, for the time being at least, in meeting the crisis, is likely to receive fresh international loans to outride the emergency.

### Eyes on Germany

Security and commodity markets in the United States reflect nervousness over the difficulties which face German banks as a result of the unfortunate delay in settling the moratorium question. The long-term outlook, however, is hopeful. Much will depend on Germany's ability in the next few weeks to establish her disturbed finances on a sounder credit basis, and to attract and consolidate both foreign and domestic capital.

Four propositions are included in the final accord of the Hoover Plan:

(1) The payment of intergovernmental debts is postponed from July 1, 1931 to June 30, 1932.

(2) Germany will pay the amount of the Young Plan unconditional annuities (approximately \$157 millions). The French government agrees, in so far as it is concerned, that these payments be placed by the Bank for Inter-

national Settlements (B.I.S.) in bonds which will be guaranteed by the German railroads.

(3) The suspended payments shall be subject to interest in accordance with the conditions suggested by the American government, payable in 10 annual instalments beginning with July 1, 1933.

(4) The same conditions shall apply to the bonds to be issued by the German railways.

### 3 Technicalities Left

Still to be solved are 3 important technicalities relating to the Young Plan. These are left to a committee of experts who will represent the signatories to the Young Plan. Hugh S. Gibson, ambassador to Belgium, will be Washington's unofficial observer. England's invitation to the committee to hold its sessions in London, beginning July 17, has been accepted.

What remains to be settled by the commission:

(1) An arrangement whereby the principal central banks, in cooperation with the B.I.S., will extend a credit of \$30 millions (approximately the total of the payments due them) to those central European governments which may have difficulty in balancing their budgets because of the suspension of reparations payments.

(2) Some understanding between France and the B.I.S. in order that France shall not supply the guarantee fund provided in the Young Plan in the event of a moratorium next year except by monthly payments in accordance with the needs of the B.I.S. after actual transfer of payments by Germany.

### Deliveries in Kind

(3) Certain modifications of existing agreements relating to payment by Germany of deliveries in kind. (These totaled approximately \$168 millions in 1930.)

One further request by France, that

Germany promise to use the freed sums exclusively for economic purposes, has already been complied with by the Berlin government.

### EUROPEAN NEWS BUREAU (Radio)—

Initialling of the Franco-American agreement has left a distinct undertone of lugubriousness all over Europe. Even stock markets and commodities have failed to react as expected. What reaction took place was mostly attributable to bear covering, especially in Berlin, which notably was oversold during the last few days.

### We Did Not Pass

To be emphatically pointed out, the French, despite their numerous subterfuges, have not abandoned a single point of their primary proposals, at first so objectionable to Hoover and voted by the Chamber on June 26.

The French, now, unwillingly realize that the Young Plan is eternally dead, that there is almost no hope that it can be resuscitated at the end of one year, but they desire, on account of approaching national elections, to keep the corpse embalmed for appearances' sake. Therefore, they are inventing all possible causes of litigation in order to postpone the moment of official acceptance of this fact. The beginning is not far enough in the past, and the end is too far ahead, to predict what ultimate solution will be reached. The fact remains, however, that French acceptance of the plan is not spontaneous. Rather, despite all the talk of Franco-American accord, it is a reluctant acknowledgment of a *fait accompli*.

## Germany Rallies Forces To Restore Confidence

RELIEF has come to Germany. Though there were times in the early part of the week when the rush of outgoing foreign credits threatened the financial collapse of the Reich, drastic moves by the government, aided by the courageous offer of credit security by leading industries, have turned the tide.

The Reichsbank's weekly statement on July 7 shows that the gold drain is stemmed, at least temporarily; that foreign currency reserves have increased

more than \$16 millions, and the gold cover has risen from 40.1% to 43.6%.

A large foreign loan is an immediate necessity and it is expected that Dr. Luther's visit to London and later to Continental financial capitals will result in a fresh foreign credit to replace, and perhaps augment, the \$100-million emergency short-term credit falling due July 16. The immediate future is still uncertain, but the outlook has improved.

Events in Germany subsequent to the initialing of the Franco-American war debt accord indicate, far more than previous happenings, how serious the economic situation in the Reich had become.

(1) The \$100-million credit extended by an international banking consortium to the Reichsbank to tide over the mid-year period, and due July 16, has been largely exhausted.

#### Use Gold Credit

(2) The \$50-million gold credit granted several years ago by a group of American banks to the Gold Discount Bank has been utilized.

(3) Withdrawals of foreign currency continued in the first 3 days after the agreement was signed, totaled \$35 millions. The Reichsbank's gold reserve was already perilously near the 40% legal minimum following the drain of \$500 millions in repaid short-term credits within the last 5 or 6 weeks.

(4) Panicky domestic capital has been driven abroad, particularly to Switzerland.

(5) A thousand of Germany's biggest corporations have gone to the extreme of creating a security guarantee of \$119 millions to be placed at the disposal of the Gold Discount Bank to enable it to obtain foreign loans.

(6) The Reichsbank, despite the adverse effect on business, has put into effect new measures to restrict credit in an effort to stem the run on foreign capital.

#### Relief Provided

In the meantime, the relief which has come to Germany as a result of the agreement to the Hoover Plan has been partially obscured. By the plan:

(1) The federal Treasury is relieved of paying \$250 millions of conditional payments abroad for reparations;

(2) Pressure on German foreign exchange is relieved to the extent of \$350 millions, the amount of total reparations, because (practically) there will be no transfer of Reichsmarks abroad;

(3) The German public is relieved of the probability of another "emergency decree" imposing fresh taxation.

Because it has been generally stipulated that acceptance of the Hoover

principle automatically makes it unnecessary for Germany to transmit payments due July 15, the relief to the Treasury should be immediate. The effect on business will be more indirect, will depend on Germany's ability to weather the present crisis, build investor-confidence, secure foreign loans to meet the present emergency.

### German Business Anxious About Deliveries in Kind

BERLIN (Cable)—Of immediate concern to German business is the question of the effect of the Hoover plan on deliveries in kind. This problem was not settled in the Franco-American accord and becomes the crux of the forthcoming conference of experts which is to be held in London.

German manufacturers and exporters are paid for deliveries in kind by the German government in marks, while the value of the goods delivered is credited to Germany by the recipient country on reparations account. The buyer of the goods in the creditor country does not pay the value to the German seller but to his own government.

#### \$168 Millions Last Year

What an important factor these deliveries in kind have become in German economic life may be judged from the fact that during the year 1930 they amounted to \$168 millions. The biggest single item in these deliveries was coal and coke, worth \$28 millions. Semi-manufactured chemicals accounted for \$10 millions. Finished goods made up the bulk—\$121 millions. Most important groups were: Steel and iron, miscellaneous machinery, ships, electrical machinery and equipment, machine tools, locomotives, paper, dyes, textile machinery.

According to the letter of the Hoover proposal these deliveries in kind, forming part of Germany's reparation payments, have to cease during the "holiday."

This is, however, an impossibility with regard to all such deliveries as are based upon definite contracts running for another couple of months if not for the whole year. These deliveries must be executed and the German government will have to pay their value to its national manufacturers. In other cases, where the respective contracts expire in the near future, the deliveries may be continued on a new, voluntary basis, outside the financial machinery of reparations. But there will unavoidably be left a number of cases which may cover



COLONEL WOODS—The President's student of unemployment returns after a two-month survey of the European situation, with little to say, but with plenty to do

half of the total amount, or even more, where the deliveries will be stopped and the respective German manufacturers severely hit by a falling off in orders and employment.

#### Job for Experts

At least some of the industries affected pin their hopes to the fact that the government may place fresh orders financed with funds which have become free as a result of the cessation of reparation payments during the holiday-year. Great hopes are attached in this respect to the \$157 millions which constitute the normal annual contribution of the Federal Railways towards reparations and which will now be available for larger orders for rails and rolling stock. This may settle the case so far as manufacturers of locomotives or rails are concerned, but it is difficult to see how the government could possibly compensate the rest.

# Lamont's Coal Conference Is at Least a Good Beginning

**Resumption of diplomatic relations with old union,  
regulatory revision, might help this bedeviled industry**

THE conference of leading coal operators called in Washington this week by Secretary of Commerce Lamont represents a brave attempt to bring order out of the coal industry's chaos. Most observers doubt that any concrete action can issue from the meeting; many believe that reinstatement of relations with United Mine Workers offers the best and quickest solution for a major part of the problem but see too much antagonism against the union to make wide application of such a plan easy.

## **Challenge to Hoover**

The conference is the result of a request to President Hoover, made several weeks ago by John Lewis, president, United Mines Workers of America, that he do something about the industry's problems. It is, in effect, a challenge to the President to make good on the statements he made before the American Federation of Labor at Boston last fall,

when he said that overcompetition had nearly ruined the coal industry and that if regulatory laws were at fault they should be revised.

The industry has been in difficulties for years. These have grown acute—according to labor leaders—since the general destruction of union agreements in 1927. Many operators, particularly those who have been badgered by the communistic National Miners Union, are willing to renew relations with U.M.W. as the lesser of two evils. Others are eager to sign union agreements if the rest do. They point out that price cuts, made possible by wage slashes, have been a source of unfair competition which has sapped the industry's vitality; that a long-term wage agreement with the union would eliminate this cause of disorder.

A big obstacle to renewal of union agreements is the expected opposition

of Pittsburgh Coal Co., second largest bituminous operator in the country, and the other operators that follow its lead. This concern led the fight which destroyed union control in Pennsylvania, spent millions of dollars to drive the union out and is still considered strongly opposed to any union advances.

Pittsburgh Coal is considered to be a "Mellon company," has R. B. Mellon, brother of the Secretary of the Treasury, on the board.

## **Fear Congress**

Many of the operators are unwilling to be parties to any movement looking toward a modification of the anti-trust laws at the approaching session of Congress. They would like to see them revised, but fear that with Congress under control of liberals and radicals, the revisions might be worse for them than the original laws.

Altogether, there appears to be little that the government can do to help the situation except to get operators and labor leaders to discuss their problems with each other. It is a particularly delicate situation for the government. Past experience has been that federal intervention has always been blamed by all parties to the controversy.

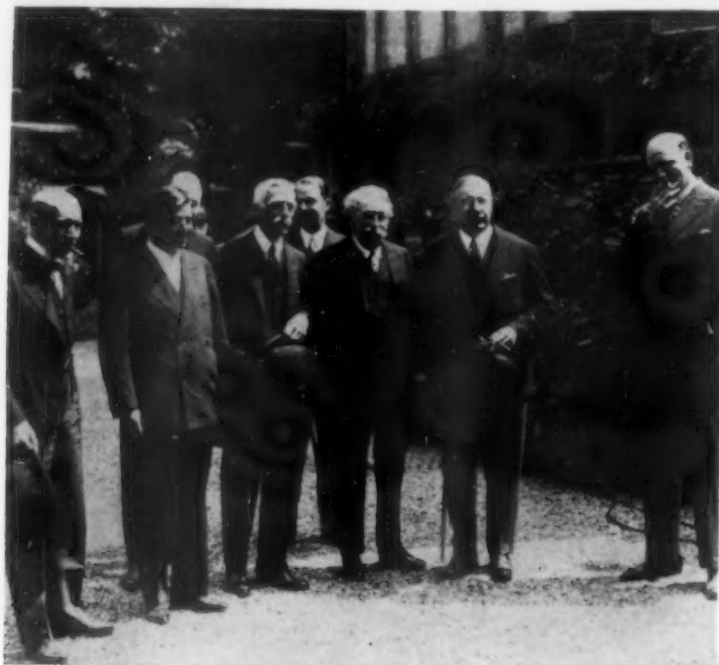
## **Mine Police Out**

During the negotiations, labor troubles in the mining regions continue unabated. Disorder appears to be increasing in many districts. Miners of Pennsylvania won a major victory on July 1 when the 65-year reign of the coal and iron police was ended, temporarily at least, by Governor Pinchot. These 1,100 special officers, commissioned by the state to enforce order, but selected, paid, and directed by mine operators, naturally found strikers or unruly miners in the wrong.

For years, labor and social leaders have worked for their abolition; this year a particularly hard drive was made but failed to influence the Legislature. Governor Pinchot, however, refused to renew their state commissions upon their expiration date, July 1, so the "Cossacks" of the coal country are now only private policemen, with no authority outside the property of their employers.

## **Bethlehem Stockholders Make Bonus Peace**

STOCKHOLDERS of Bethlehem Steel Corp. approved at a special meeting July 2 a revised bonus plan which reconciles differences in stockholder ranks and may bring about the re-



*International News*

"IN ACCORD"—Representatives of France and the United States outside the Quai d'Orsay in Paris. Left to right are Francois Pietri, secretary of the French budget; Premier Laval; Secretary Mellon; Foreign Minister Briand; Ambassador Edge; Minister of Finance Flandin



opening of negotiations for the long contemplated merger with Youngstown.

The new bonus plan continues to set aside 8% of net profit for distribution among key men, but computes it *after* allowance for depreciation, depletion and obsolescence. This will reduce the amount to which the 8% applies by about \$15 millions annually.

Another change is that the amount of bonus must be itemized in the annual report, not included under "administrative expenses" as heretofore. Charles Schwab, chairman, who did not share in the bonus, but who had charge of its distribution, will no

longer be vested with that power. Directors who do not share in it now will direct its distribution.

Before the plan was offered for approval of stockholders it had been accepted by the minority group which brought suit in January for the refunding to stockholders of the "excessive" part of the \$36 millions which had been distributed as bonuses. Endorsement of the plan indicates the suit will be dropped and the stockholders will again become a happy family looking for more worlds to conquer. Youngstown Sheet & Tube still entices, most authorities believe.

to be unfair to inventors; insisted that their contracts with affiliates were legal, preferred to determine the whole issue in the courts. More moderate heads—notably Owen D. Young, it is said—prevailed.

#### G. M. Influence?

Perhaps the recent alignment of General Motors Corp. with the RCA group influenced the decision. For many years General Motors has had satisfactory experience with an automotive patent pool similar to that designed for the radio industry; and the relative importance of General Motors' contributions to the automotive pool has been of the same order as those RCA would give to the radio pool yet General Motors evidently finds the pool profitable since it renews its allegiance without delay.

Independent radio manufacturers are almost unanimous for the patent pool. The Radio Manufacturers Association has been actively sponsoring a radio patent pool for some time, and in the trade press officials of United American Bosch Corp., General Radio Corp., Grigsby-Grunow Co., Hazeltine Corp., Crosley Radio Corp., Samson Electric Co., Frost-Minton Co., CeCo Manufac-

## Strife in Radio Industry May Be Quenched in Patent Pool

PROSPECTS are excellent that the huge costs of patent litigation, now burdening the radio industry, soon will be removed by the creation of a patent pool under which patents in radio and allied fields will be made available for public use on fair and reasonable terms to be fixed by independent trustees.

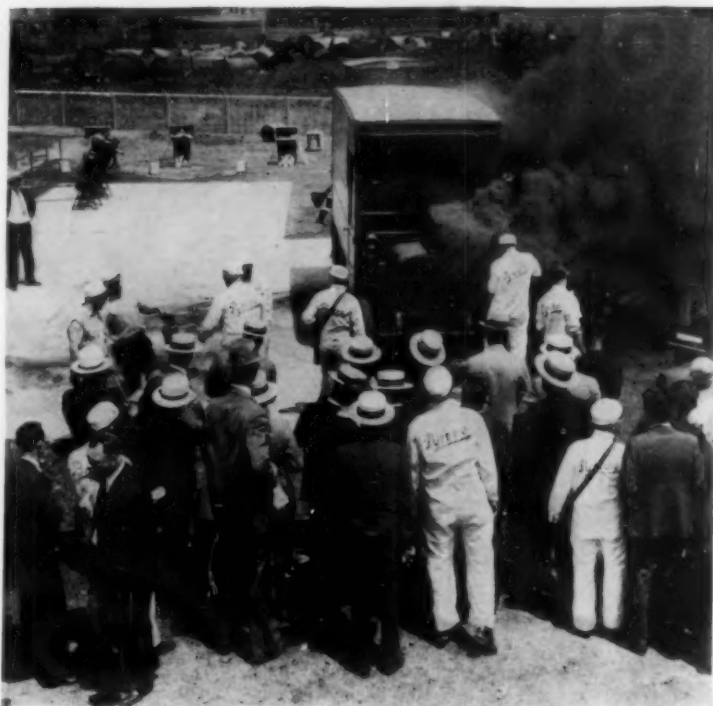
This development is forecast by the announcement of the Department of Justice that Radio Corp. of America and its associated companies, defendants in the government's anti-trust suit, would "consider favorably" the creation of an open patent pool. To those familiar with the department's policies, this guarded announcement is tantamount to a statement that the RCA group has accepted the government's plan.

#### Withdrawal Price

The government is expected to withdraw its suit against the "radio trust" should the patent pool be formed. In effect this would mean the acceptance of a "consent decree" by RCA under which it gives up certain practices frowned upon by the government in return for withdrawal of prosecution.

The government's suit, instituted some 6 months ago, calls for the dissolution of Radio Corp. and its affiliates as a trust. General Electric, Westinghouse, A. T. & T. and a few others are joint defenders. Charges are based upon the alleged illegality of contracts made among the defendants relating to their use of various patents. Should these contracts be abrogated through the formation of a patent pool open to all, the government is willing to forego further prosecution.

For several weeks prior to the announcement of the Department of Justice, daily conferences were held between RCA officials and government men. It is understood that active officials of RCA were strongly opposed to compromise; believed a patent pool



*The Business Week*  
**FIRE À LA CARTE**—The Pyrene Co. institutes a series of educational demonstrations for industrial maintenance and safety engineers by staging sample fires at its Newark plant. Some 30 blazes, from rubbish to motor trucks, boats, and oil tanks, were extinguished, using 5 types of hand extinguishers and 7 systems. Here is the motor truck afire





International News

**TRICYCLE TAXI**—Berlin's new cabs are 50% cheaper, perhaps because tax laws provide for 4-wheeled vehicles. Apparently, these are of the drive-yourself variety, with capacity limited to couples

turing Co. have expressed their approval of such a step and have promised their cooperation.

Without some such compromise, RCA goes into the suit facing the threat of a heavy loss in damages if its defence is unsuccessful. Conviction under the Sherman Act is prima facie

evidence for the collection of triple damages by anyone who thinks he has suffered from the trust. Grigsby-Grunow Co. has filed a claim against RCA for \$10 millions—\$30 millions with triple damages—and other claims filed since the government entered suit bring the total up to \$77 millions.

## Several Motor Companies Better Records Despite General Decline

**June production cut to 250,000 from 334,000 in same month last year—Chevrolet holds lead**

ALTHOUGH June automobile production, estimated at 250,000, was far below the 334,000 made last year, several companies are doing even better than they did a year ago.

With the possible exception of Oldsmobile, for which June figures are not available, all General Motors units were ahead of last year. Chevrolet led the way with nearly 85,000 compared with 78,400 in June, 1930. Both Oakland-Pontiac and Cadillac-La Salle produced more cars during the first half of 1931 than in the first 6 months of 1930. General Motors has produced and sold about 45% of the 1931 total.

Chrysler production for June was above May due chiefly to activities on the new Plymouth, publicly announced this week. Auburn made a remarkable

showing—built 3,205 cars last month compared with 950 in June, 1930. During the first 6 months it has turned out 27,660 cars, twice the number for all of 1930 and 5,000 more than it built during the previous peak year of 1929. Reo's June output is ahead of last year's.

Chevrolet set a million cars for its 1931 goal; has produced 522,232 during the first 6 months. Ford, far behind last year, is losing ground. Ford's sales for the first 4 months of 1931 totalled 218,000; Chevrolet's, 224,000. Last year Ford's 4-month registrations were 428,000; Chevrolet 253,000. May registrations, incomplete, show Chevrolet still in the lead, 63,000 against 60,000 for Ford.

The future looks even darker for

Ford. Chevrolet is having great success selling a 6-cylinder car at little more than Ford asks for a 4-cylinder. The new Plymouth seems sure to increase Ford's competition tremendously. Equipped with free-wheeling, a constant mesh, easy shifting transmission, automatic spark advance, double drop frame, unique engine mounting which virtually insulates the body and chassis from engine vibrations, all at the former Plymouth price range, \$535 to \$645, the new Chrysler product bids fair to be the selling sensation of 1931.

### "Floating Power"

Great interest is shown in Plymouth power plant suspension system. The engine is suspended at the rear and front along its longitudinal axis which contains its center of gravity. Thus it is free to vibrate about this axis, its vibrations being limited by a short spring which supports the engine under the clutch housing.

To make the use of "floating power" fully effective, the control mechanisms such as clutch and brake pedals are carried on the frame and linked in such a manner that they have no direct contact with the engine. Gearshift and transmission levers are also mounted on the frame in such a way that they are freed from the engine except when in actual use.

So far Ford appears to be not much worried about the competition. The much discussed 8-cylinder model seems definitely postponed until 1932 at least. A number of changes are scheduled for the Model A, presumably will be introduced following an inventory-taking shutdown which is expected to start by Aug. 1 at the latest.

Ford might still resort to price cuts to stimulate his market. The cheapest Model A sells for \$430 f.o.b., compared with \$345 which he got for a Model T roadster. The last Model A price cut was small, amounted to \$5 on fast selling models. Detroit would not be surprised at his announcement of improved models also announcing a lower price schedule.

## Paper Company Pays Bill With Half Ton of Silver

BUSINESS has its playful moments, even during a depression. Evidence that the management of American Writing Paper Co., Holyoke, Mass., has a strong sense of humor is provided by its attempt on July 1 to pay annual rental on water rights leased from Holyoke Water Power Co. by 1,000 lbs. of bar

silver delivered at the doorstep of the power company office.

It all started, asserts the paper company, when the power company became so zealous in enforcing the last letter of its contracts that it refused certain concessions desired. Deciding to reciprocate in this strict adherence to contracts, its customer dug out the old papers for a closer examination and found that one of them, dating from pre-Civil War times, specified payments in silver of standard value and fineness of coinage of 1859 or its equivalent in gold at the same rate.

Since the contract expressed a pref-

erence for silver the compliant paper company obtained a half ton of silver bars from Chase National Bank and delivered it to the power company. The latter refused payment, possibly because the cashier didn't feel up to the job of lugging 1,000 lbs. of metal into his safe but more probably because silver was worth about \$1 a troy ounce when the contract was signed and is now worth only 28¢, representing a loss of \$8,000 to the power company.

The paper company intimates that it will put its payment in check form, if the concessions are granted; otherwise it will take the case to court.

## Borg-Warner Finds New Devices Whet Jaded Buying Appetite

"BUYERS have been rather satiated," remarks Charles S. Davis, Borg-Warner president. "Many can buy—if they want to. Give them something with real appeal to jaded appetites, and they do buy."

Free-wheeling, developed by Borg-Warner and Studebaker, has demonstrated that it is possible strikingly to overcome buying listlessness, Mr. Davis points out.

Two-ply laminated steel, to the paradoxical embarrassment of Borg-Warner technicians, appears to have this appeal also. Premature publicity has been given the development. Inquiries have been almost too numerous, for it will be some time before the product can be offered generally to the trade.

### Never Done Before

To the uninitiated the idea of rolling a sheet of ordinary soft steel and a sheet of stainless steel together seems very simple. But it has never been so. The trouble is that, heretofore, there has been no known way of preventing oxidation during the few seconds or moments when the highly heated sheets are exposed to the air before being united. Borg-Warner has found a way to prevent such oxidation, and patented the process.

Possible uses for this new type of steel are numerous. It is an economical substitute for chrome or nickel plate and for solid stainless sheets. It can be used at many places on automobiles, household utilities, exteriors of buildings, on yachts, ships, and in fact all through industry.

Borg-Warner, now a group of 12 manufacturing units, was organized in

May, 1928, by union of 4 Middle Western companies, manufacturers of clutches, universal joints, transmission gears, and carburetors. The automotive market was, and still is, the main outlet.

Of late, however, the policy has been one of diversification. Sales of rolling mill products, industrial power transmissions, electric refrigerators, machine tools, and special machinery—all outside the automotive field—are now being stressed. Norge Corp., refrigerator-making subsidiary, has been enjoying its share of the increase in that line. In April it accounted for 22% of Borg-Warner dollar volume and in May it was 27%.

Charles S. Davis, who heads the company, is a quiet, pleasant, keenly analytical individual, who impresses one as being a man with a sure and firm hold on the concern he guides. He came in as an officer of Warner Gear, with 20 years' experience in the automotive industry behind him. His first job was that of a reporter on the New York Times.

### Farmers Spending Money, Business Survey Shows

ANXIOUS to see whether in rural sections there is much talk of hard times or any real Wall Street complex, 10 important publications, read chiefly by farmers, combined in gathering data, have just published the first batch of on-the-spot observations.

In *The Better Times Chronicle*, a new medium launched for this occasion by the cooperating papers, printed by The



*The Business Week*

**SUN TAN, RAIN OR SHINE—**  
*Guests expect sunshine at Atlantic City, rainy weather causes shortened stays. To prevent this, and to provide the coat of tan so much desired, the Ritz Carlton has replaced the lighting fixtures in its suites with sunshine lamps*

Capper Publications, reports from all parts of the country indicate that not all farmers are in a bad way, that aggressive dealers can get business if they go after it.

For instance, 200 purchasers of new tractors are listed, names, addresses, and make of tractor included. A single dealer lists 38 tractors sold, to May 15, while another reports the largest single retail sale in his experience, \$4,500 worth of implements to one farmer who, incidentally, paid cash.

Many columns record purchases of other farm machinery, automobiles, trucks, washing machines, ranges.

Hundreds of construction and modernization jobs are listed.

Indiana General Service Corp., sub-

subsidiary of American Gas & Electric Co., is reported to have built 14 additional rural service lines, added 108 new customers, with 11 more lines under construction to serve 200 more customers, while one of its employees sold 135 electric ranges to farmers, found farmers spending about \$300 for new electric

equipment after they were "hooked" to the power line.

One dealer in a small town in Kansas reports selling 33 electric refrigerators in 2 months, 29 of them for cash, while another in a town of 5,000 sold 32 Frigidaires, 8 Majestic refrigerators, 18 radios.

## Coffee Price Drop That Brought Gloom to Growers May Be a Boon

WHILE Brazilian coffee growers bewail overproduction and threaten to burn, or sink in the ocean, surplus stocks, the resultant drop in prices and accompanying increase of consumption is opening up a much wider market although at a smaller margin of profit.

The drop in prices—about 40% on the majority of standard brands—has resulted in intensive selling effort by distributors, has increased consumption.

As a result, the consumption of coffee in the United States for the year ending June 30, 1931, established a new record. In 1920 the average consumption was 11 lbs. per capita. It remained at about the same level until last year

when, with the price cuts, it jumped 10% and is now 13.2 pounds.

The Great Atlantic & Pacific Tea Co., largest single user of coffee, accounting for 13% of all coffee imported into the United States, reports that accompanying successive price reductions since 1929 sales of coffee in its 15,000-odd retail stores rose 20% in tonnage during 1930. In the period April, 1929, to date, prices on its 3 packaged brands, Eight O'clock, Red Circle, and Bokar, have been reduced nearly half.

Other chains have found sales of packaged coffee greatly increased during the last 2 years.

Similarly General Foods Corp. reports consumption of its Maxwell House coffee has increased as retail prices have been lowered.

The advent of packaged coffee was the earliest move in better merchandising. Nationally advertised brands, with assured uniform quality, gave consumers an opportunity to specify purchases and insist on getting what they paid for. Merchants soon found that, while the profit dropped slightly, a steadier volume of sales could be developed.

With wholesalers and retailers coffee has always been considered a long-profit staple, useful to offset the losses on sugar and other no-profit items. The lower prices cut down this profit, but many believe that the increased sales thus brought about will more than make up the difference.

To stimulate this movement the National Coffee Roasters Association is conducting a 3-year \$1-million campaign. Owners of nationally distributed brands of coffee such as Del Monte, Maxwell House, Chase & Sanborn, Beechnut, are cooperating. So are roasters operating in limited territories.

## Corn Products Co. Fined On Dry Law "Technicality"

INTERESTING questions surround the circumstances under which the government, through Judge FitzHenry of the Federal Court, Springfield, Ill., has fined Corn Products Refining Co. \$5,000 for participation in a conspiracy to violate the prohibition law.

Corn Products Refining Co. was one of 42 defendants indicted at Springfield in 1928 during a special enforcement drive by the Treasury Department. Distillers of illicit liquor as well as all suppliers of materials were included in the complaint, so as to obtain a ruling whether the mere supplying of alcohol ingredients is punishable under the law (BW—Feb 19'30).

Corn Products had sold corn sugar to one D. Tarro, since disappeared, who used it in making liquor. While the company denied any actual knowledge of the proposed use of the product, at first pleaded not guilty, it decided to change its plea, admitted it might be found "technically guilty" of some of the charges in the indictment, entered a plea of nolo contendere, and the fine was eventually imposed by the court.

In its change of plea Corn Products cited:

(1) That it had made every effort to have all of its branch offices and sales



LEFT TO RIGHT: ONE MILE OF REDWOOD—California ships 3 million feet of redwood lumber with appropriate ceremonies. Sold to Eastern dealers, the consignment filled 125 box cars, made a train a mile in length



representatives adhere to a set of rules and regulations governing sales and distribution of corn sugar as prepared in June, 1928, by representatives of manufacturers and officials of the prohibition department of the government;

(2) That some time prior to the indictment irregularities discovered in its St. Louis office prompted a substantial change in management;

(3) That originally investigations covering D. Tarro showed him to be a duly qualified purchaser of corn sugar;

(4) That immediately upon receiving information to the contrary sales to Tarro were discontinued;

(5) That only because of the position occupied by its St. Louis representative the company as such might consider itself "technically" guilty of some of the charges contained in the indictment.

#### One Appeal Pending

Meanwhile J. B. Hubinger Co. of Keokuk, Iowa, also a manufacturer of corn products, also indicted, pleaded not guilty, appealed to United States Court of Appeal from a verdict imposing a \$10,000 fine.

With one of the most important defendants no longer a contestant of the government's action, many are awaiting the result of the only pending appeal with interest. Should the court hold that manufacturers of products

susceptible to use in the manufacture of illegal commodities are responsible for ultimate disposition, even after it leaves their control and becomes the property of others, drastic changes in marketing methods of numerous products would become necessary.

Enforcement officials insist that they see no recent diminution in the use of corn sugar for illicit beverage purposes. The Prohibition Bureau's last annual report, June 30, 1930, estimated that of a total calculated production of 894,986,000 lbs. in 1929, approximately 361 million lbs. could be accounted for in legitimate manufacture or export, leaving 534 million lbs. possibly available for illegal use, with 75 million lbs. seized during the year.

#### Food, Drug Administration Will Check Food Labels

POSSIBLY spurred by the fact that the American Medical Association through its committee on foods is proceeding to undertake functions presumed to be peculiarly within its sphere (*BW*—*Jun 24* '31), the U. S. government Food and Drug Administration announces that extra funds found available will be used to check packaged food labels.

Wherever claims are not substantiated by chemical and medical science, the manufacturer is liable to prosecution

unless he agrees to withdraw all packages from the market and re-state these claims in accordance with actual facts.

Many in the trade believe that this timely announcement by the Food and Drug Administration will clarify the situation and retard private activity along these lines.

#### Wholesale Business Found Near \$70 Billion by Census

WHOLESALE business in the United States, all kinds and classes included, amounted to \$69½ billions according to compilations of 1929 business just completed by Bureau of the Census, U. S. Department of Commerce.

This total covers business done in 169,888 establishments, classified as wholesalers, and includes brokers, manufacturers' own sales branches, bulk tank oil stations, sales agencies, exporters, cash and carry wholesalers, drop shippers, wagon distributors, and wholesale buyers of farm products.

Actually the volume of business done by wholesalers in the well known branches of trade such as groceries, meats, hardware, clothing, shoes, etc., comprises somewhat over 50% of the grand total, but accurate compilations of wholesale business done in various trade branches are not now available.

Furthermore, present figures do not include three classes of business actually factors in the total volume of wholesale business done but not classifiable as ordinary wholesale volume.

(1) Sales made at wholesale by retailers; (2) sales amounting to more than \$11 billions, made by manufacturers direct to retailers; (3) sales, totalling over \$16 billions, made by manufacturers direct to industrial customers.

#### How Distributed

Volume of business done by wholesale firms in different sections varies greatly. New York State does \$17½ billions, or 25.37% of the country's total dollar volume; leads with sales of \$1,403,282 per 1,000 inhabitants; has 25,316 or 15% of the nation's wholesale establishments, which average \$697,760 annual sales.

Illinois, next highest in dollar volume, does 9.86% of total; Washington accounts for 1.65% of total, has a high average of \$733,882 per 1,000 inhabitants; California furnishes 5.97% of the country's total with other averages slightly below state of Washington figures. New Mexico has the lowest ratio, 0.8%, of grand total.



WATER FOR ATHENS—Marathon Dam, 177 feet high, nearly 1,000 feet long is faced with the same marble with which the Acropolis was built and ancient aqueducts are links in the system which gives Athens a good water supply for the first time. Henry C. Ulen, head of the American firm which carried out the project, was decorated by Greece for his work



Donald H. Baysinger,  
Salisbury, Maryland.



*"I could hardly believe  
my own records"*

"During the time our trucks rode on high pressure tires," writes Mr. Baysinger. "We had considerable trouble with van bodies loosening from frames, broken hinges and locks, fenders splitting, etc., as well as continuous complaints from drivers.

"About eighteen months ago we changed over to Goodrich Truck Balloons with the following results:

1. An average increase of 15,000 miles of service per tire.
2. No further repairs needed on bodies.

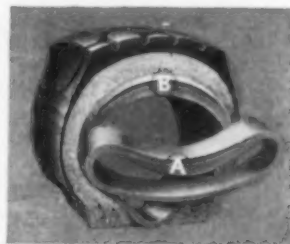


3. Now possible to make return runs at full speed.
4. No more complaints from drivers on rough riding.
5. Safe driving on wet and icy roads.
6. Substantial savings on gas and oil.
7. Ten miles an hour added to the governed road speed of the trucks.

"My whole vote is for these truck balloons to the point that I would hesitate to continue in the trucking business if I had to go back to high pressure tires."

Extravagant claims are scarcely needed for tires that produce such testimony. Get the facts now. Phone your nearest Goodrich Distributor. Look under "Tires" in the classified directory.

The B. F. Goodrich Rubber Co., Est. 1870, Akron, O. Pacific Goodrich Rubber Co., Los Angeles, Cal. In Canada: Canadian Goodrich Co., Ltd., Kitchener, Ont. The International B. F. Goodrich Corp. (Export).



AIR CONTAINERS are more than an inner tube. They add 7 vital points to truck tire performance. 1. Seal punctures on running wheels. 2. Add 25% to 35% more mileage. 3. Maintain air pressure at correct point. 4. Reduce tire wear. 5. Prevent blow-outs. 6. Outlast the tire, often several. 7. Strengthen tire against bruises.

IN ILLUSTRATION, (A) shows cross section uninflated, (B) inflated. Don't confuse Air Containers with unsatisfactory so-called "puncture-proof" tubes. The patented cord insert makes the ability of Air Containers to seal punctures permanent. Get them from any Goodrich Distributor.

# Goodrich Truck Balloons

another B. F. Goodrich Product



32,000 Rubber Articles • Goodrich Silvertowns • Zippers • Rubber Footwear  
Drug Sundries • Soles • Heels • Hose • Belting • Packing • Molded Goods

# Utilities Get Prominent Place On the Political Calendar

DESPITE the fact that few restrictive measures were imposed on public utility operations by state legislatures during the past year there are many indications that the drive against them has not let up; that continued political opposition, restrictive legislation and still closer supervision lie in their path.

Important evidence of this is the formation by the Federal Power Commission of a fact-finding committee, under Dr. Walter M. W. Splawn, which will delve deeply into the intricacies of ownership, control and affiliations of public utility operating companies licensed by the commission.

## Dr. Splawn's Job

Dr. Splawn is authorized to collect all available facts bearing upon "the ownership and control, direct or indirect, of stock, security, or capital interest of public utilities" held by "holding companies, investment trusts, individuals, partnerships, corporations, associations and trusts, and the organization, financing, development, management, operation and control" of such organizations.

A wide field which Dr. Splawn has 4 months to study—but the analysis of which will give the commission data for a much closer control over operating companies than is now possible.

Public utilities and conservatives, generally, are not greatly exercised over Dr. Splawn's mission. He made a study of railroad holding companies for the Interstate Commerce Commission and, despite the much wider ramification of holding companies in the utility field, the results of his railroad study indicate that his report will give little comfort to utility opponents.

## More Regulation Sure

A recent survey of public utilities convinces Standard Statistics Co. that further regulation is inevitable; that state bodies will watch rates and security issues closer, that the Federal Power Commission will exercise a similar measure of control over holding companies. The latest activity indicates the commission is already planning entrance into the holding company field.

Standard Statistics adds that utilities are not entirely free from blame for this impending supervision; that the spectacular scramble for properties during the past decade has aroused a quite justifiable criticism.

Chief development in state regulation occurred in Wisconsin where a program originated by the Wisconsin League of Municipalities has at last been put into operation. While resembling the laws of Ontario, New York and some states of the Pacific Northwest, it goes much further than any of them in restricting the scope of private utilities and furthering the interests of public ownership.

## Unusual Powers

Some of the more important measures require constitutional amendments and cannot be settled until November, 1932. Perhaps the most important law now in effect is that making the old Railroad Commission a Public Service Commission and giving it unusual regulatory powers. It may regulate and control issuance of utility securities, can control the depreciation policies of utilities and can stop dividend payments unless a suitable reserve is set aside. Most of the costs of the commission are assessed against utilities instead of against general taxpayers. Already the reorganized commission has started an investigation of Wisconsin Power & Light Co., Insull unit; has ordered all utilities to submit complete information regarding their stockholders and any contracts existing with affiliated interests.

## City Loses Right to Buy Power Plant With Taxes

ANOTHER decision involving the right of a municipality to buy electrical equipment for a power plant, regardless of its legal debt limit, and pay for it in instalments out of the plant's earnings has just been handed down by a Missouri court. This time against the municipality.

The parties in the case were the city of Harrisonville, Mo., which contracted with the Fairbanks, Morse & Co. for the purchase of equipment for a municipal light and power plant to be paid for in 60 monthly instalments, and the Missouri Public Service Co. and several taxpayers who sought to restrain the city from carrying out the provisions of the contract.

The Missouri Supreme Court ruled against the contract on the ground that one of its provisions, requiring the town to pay for electricity used for municipal



The Business Week

OIL LAW—"Lone Wolf" Gonzales, Texas Ranger, is the law in the whole East Texas field. The rear view is the result of his announced dislike of photographers, and his reputation as the quickest man on the draw in Texas

purposes until the machinery was paid for, created a general obligation against tax funds; that, as a result, the town had exceeded its legal debt limit, which had already been reached prior to the signing of the contract.

Justice Ernest S. Gantt, who wrote the court's opinion, characterized as a subterfuge the contract provision that the city was to purchase from itself, at regular rates, power for its water plant, street lights, and other municipal purposes, when evidence showed the city had no money available for that purpose. He held it was evident that both parties to the contract knew that payments could be met only from tax funds.

The present ruling does not reverse the Missouri Supreme Court's decision in the Fayette (Mo.) case over a year

## Latest Engineering Advance in Unit Heaters

within easy reach



SWEET'S ENGINEERING CATALOGUES—over seven hundred highly useful manufacturers' catalogues filed in one volume for the convenience of those in 15,000 offices who build and operate America's largest industrial plants.

Look in Sweet's Engineering Catalogues for the Thermolier Catalogue, pages 579 to 620. Duplicate copies of the Thermolier Catalogue will be sent on request. Grinnell Company, Inc., Providence, R. I., Offices in all Principal Cities.



**B**ORROW Sweet's Engineering Catalogues for 1931 from your plant manager or engineer. You'll find you don't have to go out of your office to learn about the latest engineering advances in unit heater design.

Turn to page 579, where the complete Thermolier Catalogue is filed for your convenience. You will learn that steam heat is so completely mastered that no one is ever again conscious of the temperature. Never too warm—never too cool for anyone to give it a thought.

Thermoliers make substantial savings on fuel bills. They can be installed almost overnight. They provide exact thermostatic control of the circulating fan. The patented Internal Cooling Leg, which allows the use of Thermostatic Traps, assures 100% drainage of condensation.

Sweet's Engineering Catalogues clearly explain "14 Points of Superiority" embodied in this remarkable unit heater.

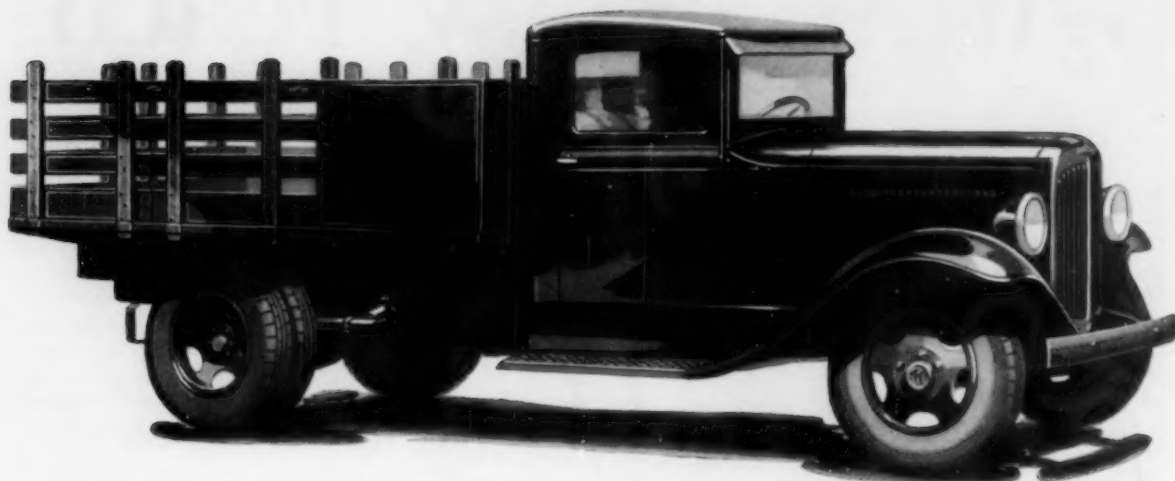
# THERMOLIER

THE GRINNELL UNIT HEATER WITH 14 POINTS OF SUPERIORITY

# \$625 *for*

**REO Quality  
REO Speed  
REO Economy  
REO Long Life**

Four-Cylinder \$625, Six-Cylinder \$725  
Chassis f. o. b. Lansing, Michigan  
DUAL WHEELS EXTRA



**T**HE new Reo SPEED WAGON sweeps aside all previous work-limitations of trucks in the lowest price class. It fulfills *entirely* the exacting 1½-ton haulage demands of *every* industry.

REO has met the low-price 1½-ton market with the finest truck that sound engineering, extensive factory facilities and ample capital have yet been able to produce. *For comparable quality, size and specifications the new SPEED WAGON is the lowest priced 1½-ton truck in the world!*

REO MOTOR CAR COMPANY, LANSING — TORONTO

**THE NEW  
1½ TON**

# REO

**SPEED WAGON**

*Extra Size, Extra Strength, Extra Power,  
with assured lower per-mile cost  
of operation*

4 cylinder engine—5 bearings • 6 cylinder engine—  
7 bearings • Chrome nickel iron cylinders • Extra  
large piston displacements • Force feed lubrication  
Strong channelled frame—7" deep • Four Speed  
Transmission • Full floating rear axle • Forged  
Spoksteel Wheels • Internal hydraulic brakes

Two liberal wheelbase lengths  
More loading space behind cab.

AVAILABLE WITH STANDARD AND SPECIAL BODIES FOR EVERY HAULAGE NEED



ago, in which the city's contract for the purchase of equipment for its power plant out of earnings on an instalment plan was sustained. In that case, the court held the contract valid on the ground that the constitutional limitation applied only to debts which had to be

met from taxes and that the contract in question could be met without the need of resorting to taxation.

Similar cases had come up in other Western and Southern states. In the majority of them the courts upheld the municipalities.

## Natural Gas From Texas Will Be Sold in Chicago in the Fall

CONSTRUCTION of the 950-mile natural gas pipe line, Texas Panhandle to Chicago, will be complete in July. Sixty days more will be required to clean the line out, test it, and get it ready for business. This means that Insull's Peoples Gas Light & Coke Co. can start selling natural gas in Chicago, for the first time, early this fall. It will be sold mixed with manufactured gas.

In contemplation of this, the company has been selling its product on a therm basis for about a year now (*BW*—Jun 18 '30). A therm is 100,000 B.t.u. Since natural gas has double the heat units of manufactured gas, and heat is what is really being sold, some change in the old system of charging by the 1,000 cubic feet was necessary. Custo-

mers were told that they could continue receiving bills on the old basis if they so requested. Only 235 out of some 850,000 have refused to make the change.

It is planned to step up B.t.u. content from around 530 to around 800 per cubic foot by offering a 45-55 mixture, 45% being natural gas. All burners have to be adjusted. The work of doing this for customers has already started.

Introduction of natural gas into Chicago means lower rates, eventually if not now. The determining element is load factor—the ratio of the average load to the maximum load of the new pipe line. This load factor is bound to be low at first, while fixed charges, chief

of which is interest on \$75 millions invested in the project, will be high as ever. It will be some time before the maximum load of 175 million cubic feet daily can be used. In heat content this is 2½ times as much gas as Peoples Gas now sells. The first rate reduction probably will be for house heating.

"It is our intention," says B. J. Mulaney, vice-president of the company, "to improve the load factor of our demand on the pipe line by further developing the large-volume market for the use of gas in industry as well as for house-heating, etc. The sales of gas for house-heating in 1930 were 5.02% of total sales direct to consumers and 4.36% of total sales for all purposes."

There are large opportunities for increased use of gas in industry. It is "a tailor-made fuel," clean, easy to regulate, requiring no storage space and no physical handling.

### Self-Adjusting Industry

Gas is an industry that in the past quarter century has done an exceptionally good job of adjusting itself to changing conditions. Its one-time market, lighting, collapsed entirely. Instead of complaining, the industry set out to develop the cooking fuel market. Now it is looking to the heating market, biggest of all.

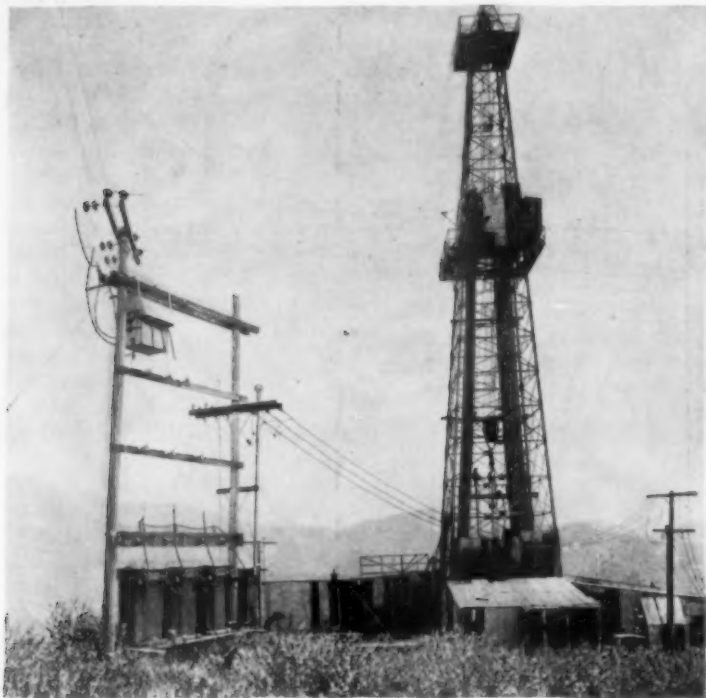
Certain other industries, less resourceful and more inclined to bewail their losses, might well consider this record. It is one of the most interesting chapters yet written in the big story of inter-industry competition.

### Socony-Vacuum Merger Example Others May Take

ON July 30 stockholders of Standard Oil Co. of New York and of Vacuum Oil Co. will vote on the new plan for merging the 2 concerns into the \$1 billion Socony-Vacuum Corp. There is little doubt that the merger will be ratified.

To effect the union, Standard of New York will change its name to Socony-Vacuum Corp. and will then acquire the assets of Vacuum Oil Co. Vacuum stockholders will receive 2½ shares of stock of the new company for each share of Vacuum stock; Standard stockholders will exchange shares evenly. Under the original merger terms proposed in February, 1930, Vacuum shares were to be exchanged 3 for 1.

The board of directors of the new concern will be composed of an equal number of representatives from the boards of the combining companies, and



*The Business Week*

**DEEP HOLE**—The Hobson 2-A well of the Chanslor-Canfield Midway Oil Co. in the Sea Cliff field, California. Drilled electrically, it is reputedly the deepest ever made by man, runs 10,030 feet into the earth



International News

**THE UNEMPLOYED**—British freighters, skeleton crews aboard, swing idly at anchor in the Gare Loch, Scotland, silent victims of the slump in shipping. Their working sisters carry small cargoes at small pay

two subsidiary organizations, retaining the present names of the merging units, will be utilized to carry on under the same management the business now conducted by the individual companies.

While realizing that government approval of this merger in no wise guarantees the success of other mergers among old Standard Oil units, there is strong opinion within the industry that

consummation of the Socony-Vacuum plan will expedite other negotiations which have been under way for many months. Not only in the old Standard group but among the independents the known need for a drastic decrease in the number of operating units in the industry may be hurried into definite plans for important mergers by the Socony-Vacuum example.

## Mandatory Control of All Taxes In North Carolina Successful

**Plan may be followed by other states seeking to halt rapidly increasing assessments**

QUIESCENT through years of gradually increased taxes—state and local—which have become a staggering burden on the public, business leaders have at last awakened to a realization of their predicament and are starting a determined campaign to remedy the situation.

In recent years these local taxes, imposed by between 50,000 and 60,000 units, have increased to more than 3 times federal taxes. Lack of public interest, leadership, or realization of the consequences has permitted this

increase to continue until many communities, given enough credit rope, have hung themselves in bankruptcy.

Real estate has borne the bulk of this taxation, and real estate men are now behind a national movement to distribute the burden more equitably over all forms of property. Taxing authorities, listening to their appeal for relief, have been turning to sales and income taxes—which has brought a salvo of protests from the general public.

Several states have taken remedial

action. The New Jersey Commission on County and Municipal Taxation and Expenditure has recommended establishment of a new bureau to investigate tax rises, bar excessive expenditures. Indiana provides for a study of tax rises by an authoritative board if petitioned by 10 taxpayers. California has a law limiting assessments.

### Watch Old North State

North Carolina is making the most drastic move of any, a move that is being watched closely by other states which may copy the plan if it works. And it appears to be working.

Four years ago the state established an advisory commission with considerable power in directing the fiscal affairs of the 100 counties. In 1929 the commission's power was extended. And now the legislature has set up a new "Local Finance Commission" with absolute power over all of the fiscal policies of every local government unit in the state.

### State Control Works Well

This complete mandatory state control began in the spring, and is working out even better than expected. The drastic centralization policy has already re-established the credit of many of the cities, towns and counties which had defaulted their obligations. Large immediate and future savings have been made possible by central marketing of new securities. In addition, much unnecessary local financing has been delayed or stopped.

One outstanding feature of this new state-wide financial policy is that the director of the commission is authorized and required to take over and operate as a receiver any local tax unit that defaults on its bond, note or interest obligations. The latter then become prior liens, taking precedence over all salaries, running expenses and other obligations. The director also takes charge of the collection and disbursement of all tax income. He continues to function as the receiver of the local governmental unit, until its affairs are again in sound condition.

### Other Features

Among other novel features of the new legislation, the type and terms of all bonds, notes and other obligations of the local governmental units must be approved by the commission. Moreover, the local units cannot directly sell their own obligations even after the commission has approved them. Buyers of the securities of North Carolina cities and counties now deal exclusively with the new commission.

In several cases in the short time the



*How the Benjamin Franklin Memorial will appear when completed.*

# PHILADELPHIA— A Liveable City

The great Benjamin Franklin Memorial, costing seven and one half millions of dollars, for which ground already has been broken, will soon be erected on Philadelphia's Parkway. It is the city's tribute to the greatest American and to science.

In Philadelphia and its environs are to be found many of America's leading educational institutions; the University of Pennsylvania, Temple University, famous schools of medicine, of dentistry, of business, of law. Philadelphia's public school system is admittedly second to none.

Philadelphia's cultural advantages in art, music, sculpture, literature and in science make her one of the most desirable cities in which to live.

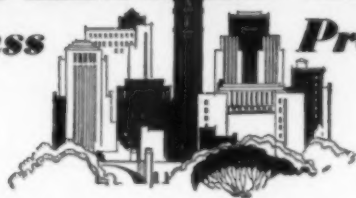
Industrial leaders can come to Philadelphia with their particular enterprise in the certain knowledge that Philadelphia is a city in which they will enjoy living, in which they can rear their children among cultural advantages that are as nearly ideal as can be found in any city of the world.

*You will enjoy reading the Booklet, "The Real Philadelphia".  
Write for it on your business letterhead, addressing Department S*

# PHILADELPHIA

***Business*** ***Progress Association***

1442 Widener Bldg., Philadelphia, Pa.



# WEBSTER ELECTRIC CO.



THE quality of Webster Electric production is the direct result of good equipment, well maintained and held to high operating standards . . . This is the basic reason for the fine performance of the products now marketed under the Webster Electric name . . . Webster Electric production methods can be applied to the design and contract manufacture of power and regulating transformers up to 5 K. V. A. . . . audio transformers . . . chokes . . . electrical windings . . . small assemblies or complete devices which embody electrical features or are wholly mechanical . . . Inquiries from interested manufacturers are solicited.



Webster Electric Company

ESTABLISHED 1909

Racine

Wisconsin



Webster Transformers . . . Webster Electric Pick-ups . . . Webster Power Amplifiers



centralization policy has been in force this feature of the control of the sale of local securities has resulted in substantially lower interest rates than the local units could obtain. Acceptance by the buyers of better types of securities also resulted from the handling by the commission.

Such centralization of control of all local fiscal policies may appear radical, but it is being accepted by the people of North Carolina practically without

a protest; is recognized as having saved bad situations in many local units. But its universal acceptance is surprising, since each county heretofore was practically an autonomous governmental unit.

Now, however, states rights and local independence of action, always fundamental premises of government in the South, have been discarded at a single stroke to gain better government and lower taxes.

## First Half-Year's Financing Shows Effect of Depression

TOTAL of new security issues for the first 6 months of 1931 (\$52,616 millions, according to New York Times figures) was the smallest for this period of any year since 1926. Reasons: Dull business, cutting down the need for capital; the credit position of potential borrowers has been impaired by the depression. Low security prices reflect this credit impairment but are also due to a timidity, which has needlessly depressed some prices, deprived some corporations of needed capital, thus hurting business through curtailment of capital goods purchases.

More than last year, 1931 capital issues represent refinancing. Yet 're-

financing has not been on an unusually large scale. Investor timidity and long-term rates excessively high in proportion to short-term have imposed handicaps.

A larger proportion of this year's issues have been put out by companies of top credit rating—due to the disproportionate cost of funds to concerns less highly rated.

More than in any recent year, new issues have gone to productive uses.

Virtually all 1931 issues have been bonds (\$2,518 millions). Stocks (\$94 millions) have not been popular.

The public utility group is the only one that has been able to refinance on any large scale through the sale of new

securities. Its new-issue total was close to last year's 6-month showing, but below those of 1928 and 1929.

The total of new industrial securities issued during the first half of 1931 was very much smaller than for the same period in any recent year, only about one-third the 6-month output of 1930. Railroad issues ran to about half the total to July 1 last year.

The supply of capital to foreign nations was curtailed even more severely than last year. Total foreign bond issues were \$264 millions, virtually all going to Canada.

States and municipalities were heavy borrowers, taking more funds than in any recent year, probably than in any year. Their issues, plus those of utilities, accounted for 65% of total new bonds sold. The heavy volume was a result of the valiant attempts to stimulate building by public construction.

## Slump in Bank Earnings Forecasts Policy Change

BANK earnings have been drastically cut this year, statements covering the first half show. While complete figures are unobtainable, appearances are that, during this period, bank net income has suffered as much as—if not more than—business, which lost, it is estimated, from 35% to 50% from a year ago.

Chief causes for the drop are low money rates, heavy losses on loans and investments. Because of their diversified sources of income, banks seem to have withstood earlier phases of depression a little better than business. But their troubles have increased.

Beginning late in 1930 money rates began a new decline and, though rates paid to depositors were cut, all of the loss was not passed on. Too, many securities which had declined severely were held over the earlier period in the hope they would "come back." They didn't, and losses finally had to be taken. The same was frequently true of loans. Numerous dividend reductions are resulting, and many dividends are being paid out of surplus.

This situation is likely to have an important influence on banking policy. Banks, like corporations, cannot operate for any lengthy periods without profits. Some change in loan and investment policies toward obtaining higher income appears probable. This should tend to make money more widely available at lower rates, a trend unlikely to be very abrupt, but one which will have an important effect upon business.



Wide World

POCKET HANDKERCHIEF AIRPORT—The Catalina Island terminal of the Wilmington-Catalina Air Line is so small it has a turntable for planes

# Women Crave Summer Gloves And "The County" Is Doing Fine

**In a style change too fast for Europe, the gloves have again shown the value of industrial flexibility**

WHEN glove retailer meets glove maker he inquires, "How are things up in The County?"

The manufacturer's happy answer echoes strangely through the dark corridors of the depression. It is like a sudden horse-laugh at a funeral. Things up in The County are just fine. The County is the trade name for Fulton County, N. Y., on the knees of the Adirondacks, container of Gloversville, Johnstown, and lesser hamlets which make half the nation's leather hand-wear.

Yet so perverse is the nature of man, or so compelling is the weight of the world's melancholy, that the burghers of the glove towns seem ashamed to admit their good fortune. Thus details of The County's prosperity are produced timidly or with reluctance.

Q. Didn't the glove makers enjoy a quiet little boom all their own last year?

A. Yes. There was one time when orders couldn't be filled. But—

Q. Aren't factories now working full time and workers well employed?

A. Yes, but 1931 will go below 1930.

Q. Isn't Gloversville's community chest of \$70,000 the same as in previous years, indicating a minimum of social problems?

A. Yes, but if women stop wearing gloves things are going to be different.

## Cherchez la Femme

That last is something to think about. The present glow suffusing Gloversville is due directly to the fact that last year women asserted their illogic and began wearing gloves in summer—thereby confounding the stylists who maintained that the phenomenon of hot-weather furs could not be duplicated. So strong and sudden was the demand that Europe's fine glove makers could not supply it. American plants, especially those about Gloversville, were besought and came through nobly. Naturally, 1931 orders did not show the mountainous bulge that marked the beginning of the fad, but demand is still powerful.

Only doubt as to the color women will prefer this fall is retarding orders. Last year black, anything with black

trimming, and white sold as hot cakes never did. But many of the black suedes faded, smudging hands and white costumes. Best bet for this fall is glacé or smooth finish, which holds a fast color. Dealers who last year stocked strongly with shades other than black and white still have them. No one can yet say whether this year's demand will shift.

## A New Market

Formerly, Fulton County specialized on men's gloves—made at one time 90% of the country's production. Its women's dress gloves lacked the style (and price) of the imports. Europe's failure last year to supply the high-grade demand gives the New York community an opening into the stratosphere, may mean the development of the native craft to France's point of perfection.

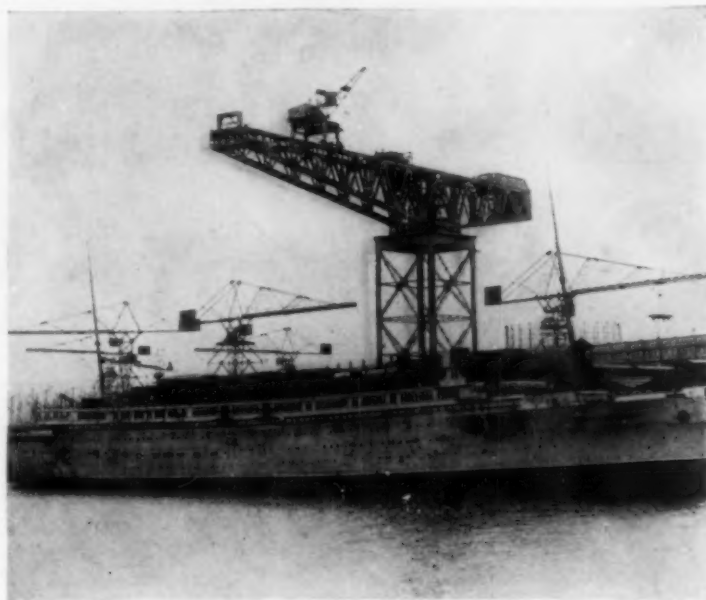
During the Fourth of July holiday an official of a big plant, opening orders against a resumption of operations, encountered one that turned him hot and cold with elation and misgiving. It was a huge order for men's

gloves from Sears, Roebuck. Demand from men has been dormant. Closed cars and mild winters have held down this market to sluggish cold-weather requirements for street wear. Retail stocks for men are low in everything but lined gloves. A jump in demand for street styles or indications of a heavy winter can easily run into a repetition of last year's localized boom.

Fulton County is a unique industrial phenomenon. In no other district does a single industry enter so deeply into the life of the people. The supply of skilled labor in a craft requiring painful apprenticeship is one reason The County has held its own. (Glove factories in other cities owe their existence mainly to migrants from Gloversville.) While the community lives on a single industry, that industry has shown itself strangely flexible in adapting itself to changes in style and conditions. First made there were heavy work gloves. A generation ago a protective tariff enabled the community to establish a leadership in men's gloves. (The present Fulton County product outwears any in the world.) Last year when the demand for men's wear died, the industry did a quick shift and centered its production on women's styles.

## Easy to Change

The physique of the plants enables the companies to meet changes without violent disruptions. The processes are hand manipulations, machines being mere aides. There is no heavy invest-



FOR BERMUDA SERVICE—Because of the burning of the "Bermuda" in Hamilton, work is rushed on Furness-Withy's "Monarch of Bermuda"

ment in costly equipment that must be scrapped or altered when styles veer in direction. You can't make a glove man believe the time will ever come when a fine glove can be made automatically.

Glove making is practiced by the women in the farm and town homes. Every large plant has a truck which makes the rounds gathering gloves sewed by these workers.

#### The "Five Towns"

Fulton County has a population of 46,000. About half of that is Gloversville. Besides Johnstown (the county seat) the glove villages include Broadalbin, Northville, Mayfield—the last specializing on a men's heavy glove which bears its name in the trade. Of the 232 American factories producing leather gloves and mittens, 132 are in Fulton County. Gloversville has 77, Johnstown 36. But remember that these last numbers include the largest plants—some with 100 cutters. The County's products in 1925 were valued at \$18 millions, half the national total. Present percentage is about the same.

The grand names of the glove business greet you from all sides—Fownes, Adlers, Meyers, Perrin, Hayes, etc. Foreign companies have their American factories here. The Gloversville factories cluster in no district. They rise from behind neat rows of shaded dwellings, look down at you over garages, confront you beyond the spires of, the many churches, surprise you at the bends of back alleys. (As a tribute to the ruling industry a movie theater is called "The Glove"!)

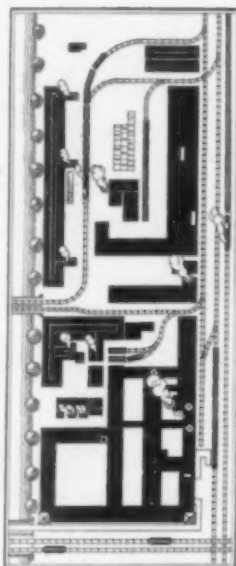
#### Proofs of Prosperity

Venerable elms and maples confer above the quiet streets. Be not deceived by the absence of gadabouts on these thoroughfares. Retail prosperity is proved by the scramble of the great chains led by Montgomery Ward and Sears, Roebuck to open stores here. There are specialty shops for women, branches of New York firms.

Even above this bright spot on the map, clouds hover. The glove business is carried by the cutters—men with wise eyes and deft hands who judge and stretch the skins, cut the trunks to avoid defects, get the most out of a given area. They went through an apprenticeship of from 3 to 5 years, and now make from \$25 to \$40 a week. But these men (Italians, Jews, French, Germans, as well as American-born) were not satisfied to let their sons inherit the craft. They wanted the boys to wear white collars and enter businesses with wider opportunities. Result:

## YOU CAN GO INTO PRODUCTION NEXT WEEK!

At this large mid-west factory you will find complete production facilities. A growing concern offers part of its extensive manufacturing equipment on a contract basis. Including a 52 year experience.



FOR a certain business man who wants to jump a good many manufacturing hurdles, here is undoubtedly the opportunity. This organization is well accustomed to the problem of getting into production on a new product very rapidly. Its facilities for many years have been geared up to the need for producing for others a wide variety of products.

A further and perhaps more important advantage is in its low operating cost. Practically every detail that can contribute to reducing the cost of handling and producing manufactured articles has been incorporated into the layout of this factory. This cost reduction tendency is evident in the financial, as well as in the manufacturing, structure. There being here no bonded indebtedness, no financial obligations to banks, no preferred stock, the financing costs which must inevitably enter into the price of the manufactured product are at an absolute minimum.

Several nationally famous products have been made here for years, and the relationships with the backers of these products have been extremely happy ones.

There is now room for one more client. This is the opportunity virtually to own a large factory with none of the troubles of owning it.

Address R. F. List, President, Belvidere, Ill.

*Gray iron castings, metal stamping, and screw machine products. Assembling facilities for complete products. Our own cabinet factory in nearby city. Offices in New York and Chicago.*

# A MARKET THAT'S PIERCE



*Pierce-Arrow quality is attractively pictured and described in several beautiful booklets, including one which treats of the special custom models by LeBaron. These are obtainable from the Pierce-Arrow dealer, or by mail-request from the Pierce-Arrow Motor Car Company, Buffalo, New York*

THREE NEW GROUPS, ALL WITH FREE WHEELING: AT \$2685 AND UP; AT \$3450 AND UP; AT \$4275 AND UP





# AS INEXHAUSTIBLE ARROW

Necessarily there are all kinds of markets for all kinds of merchandise. But there is one market which is inexhaustible—the one for the finer merchandise.

This is the market which has given to Pierce-Arrow its intensely loyal following all down the years.

In every community, you can single out the Pierce-Arrow kind of people. Invariably they are looked up to as the civic and social leaders—a society, if you please, which steadfastly holds the Pierce-Arrow to be the one car deserving of its favor.

Again this market is turning, as usual, to the new Pierce-Arrow—confident that beneath today's modish expression, it brings to them the finest quality, the highest distinction and the greatest value that Pierce-Arrow has presented in all its thirty years.

ND \$25 AND UP. (SPECIAL CUSTOM-BUILT MODELS UP TO \$10,000.) All prices f. o. b. Buffalo

Nearly all the cutters are now old men, are slower with their hands (75 cutters now do the work that 50 cutters formerly did).

The threatened shortage became so acute that the industry met it several years back by starting a course in cutting for boys at Gloversville. The Leather Glove and Mitten Manufacturers advance wages for the apprentices, the local Board of Education pays the teachers. Since September, 12 boys have registered for the course, 15 are on the waiting list. In 18 months they hope to learn what the old-timers absorbed in 3 years. Glove sewing is also taught girls in day and evening classes. About 150 have taken up this branch of the art, and 150 adult women are on the waiting list.

Average earnings of the glove maker are around \$1,000 a year, a high fig-

ure for a small city. Labor troubles are few. An informal sort of union of the cutters meets representatives of the manufacturers each year and sets the rate for the season. Rates have been kept up in recent years. That the workers are of a high type is proved by the fact that 80% own their homes. No one here is very rich—or very poor.

Other ills than aging cutters vex the glove plants. There is a local saying that "We make gloves but no money." Desperate competition is one reason. A manufacturer brings out a glove that he sells for \$40 a dozen and makes some profit. Another copies it and cuts to \$36. A third slashes to \$29. Result: All lose money. Aggressive research and style control are urged on the companies. Another need is for interests to get together and sing the glories of Fulton County gloves.

of deliveries, it is doubted if the present upswing can continue much longer unless general business improves.

## American Woolen Cuts Discounts, 17 to 3

WITHOUT regard to traditional habits and cumbersome trade practices the Noah-Warner team of merchandisers, now at the head of American Woolen Co., announces that the company's previous scale of 17 different discount rates has been cut to 3.

The plan is expected to simplify sales and accounting practices and particularly should discourage the jockeying for discounts previously engaged in by smaller buyers. Manufacturers interested in improving conditions welcome the change.

## While Other Sales Decline, Wool Climbs Toward a Peak

AN unusual expansion for these times is taking place in American woolen manufacturing. While in most other lines operations have been undergoing a downward revision, activity in the wool industry has been making steady gains since the beginning of the year. As a result, consumption of raw wools is well ahead of last year's volume.

In explanation of this, authorities cite: (1) the drastic curtailment in woolen mill operations during the last half of 1930, the consequent depletion of stocks of goods, the present need of replenishment; (2) the fact that the present sharp pickup in wool consumption may indicate the peak in the 2-year textile cycle, probably now due. According to the *Textile World*, the intervals between peaks in wool consumption vary from 21 to 28 months, the last one on the record having been made in July, 1929.

### Domestic Sales Gain

The volume of raw wools consumed in May is reported 40% greater than in April, 84% greater than a year ago. Stocks in hands of manufacturers and dealers are estimated 20% larger than last year at this time. A significant development is the increased consumption of domestic wools due to the narrowing of the margin between foreign and domestic prices. Up until a year ago domestic prices had been kept at an unduly high level. With greater use of

domestic wools, importations have declined substantially.

While there are as yet no signs of a let-up in wool manufacturing operations and a number of mills are reported working on night schedules to take care

## Cooled-Air Diners Feature Of Penn's Crack Trains

PASSENGERS on de luxe trains of the Pennsylvania Railroad will be able to eat in greater comfort than before with the adoption of a new type dining car equipped with an air conditioning system. Unlike the equipment recently installed on the Columbian of Baltimore & Ohio R.R. (BW—Jun 3 '31) the Pennsy system consists of an ice chamber under the car. Ice water flows

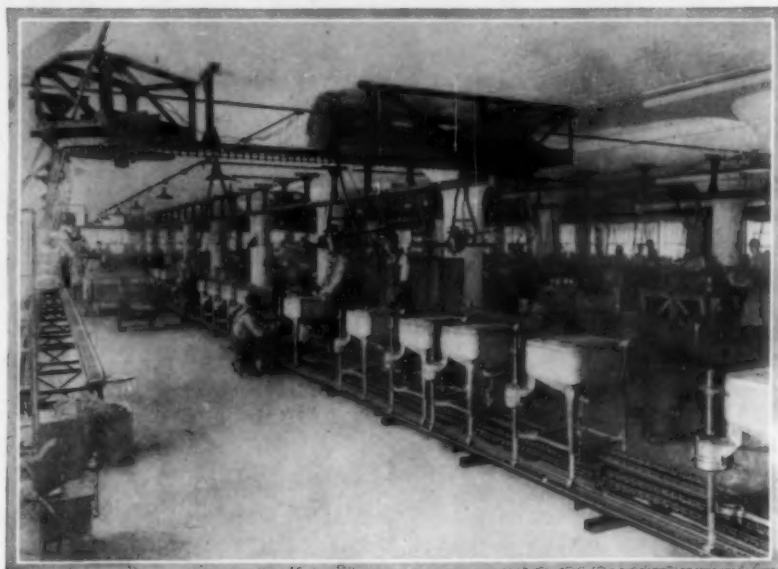


**FULL UP**—The farmer's cooperative warehouses in St. Louis are bulging with wool, even meeting rooms are pressed into service. Much of it is moving out, however, to satisfy the demand created by low clothing prices

# CHAIN BELT COMPANY

40 YEARS OF INVENTION IN TAKING THE JOB TO  
THE MACHINE OR IN TAKING THE MACHINE TO THE JOB

Assembly that  
Is Progressive  
in  
More Ways  
Than One



Progressive Assembly of earlier years may become mossback tradition today.

In the mechanization of mass production, skilled leaders have left whole industries behind.

Progressive Assembly, today, must mean more than assembly that moves at predetermined rates from place to place. It means movement at the proper pace, in proper sequence, to proper stations, at proper costs.

There never was a year so sore and wet for any industry that some company in that industry did not make money. That was the company that had its costs in line. There never was a better time to review old conveyor lines—or to install progressive assembly.

The Chain Belt Company through branch offices located in 19 cities will place complete information before engineers, operating officials or executives interested.

## CHAIN BELT COMPANY CHAIN & BELT CONVEYING

**REX DRIVE CHAIN - REX CONSTRUCTION MACHINERY**

1650 W. Bruce St., MILWAUKEE, WISCONSIN • District Offices in 19 Cities

to radiators over which blowers force air into the car.

The new cars are insulated against heat and cold and are lined with acoustical felt to decrease train noise. While tests have shown it to be pos-

sible to maintain a temperature of 76 deg. F. within the car with an outside temperature of 100 deg. F., as a rule it is expected to be kept at least 12 degrees below outside temperature in hot weather.

## Costly Crack Trains, Under Fire By Critics, Are Biggest Earners

**20th Century Limited made \$11 millions for N.Y.C. in one year; others also profitable**

IN the welter of criticism directed at railroad managements following their demand for a 15% rise in freight rates occurs frequently the allegation that an excessive, competitive passenger service depletes net earnings. The facts of the matter are that the so-called "limited" train is often a prolific source of revenue. Even astute Commerce Commissioners go astray in their facts in assailing the railroads for maintaining many trains which, although competitive, return a handsome profit.

### Set World Record

No train in the world ever amassed the earnings which the 20th Century Limited achieved up to 2 years ago, just prior to the establishment of 4 other 20-hour New York-Chicago flyers. In a year, it earned \$11 millions for the New York Central Lines, carrying more than 250,000 passengers annually. If commercial travel were not at a low ebb now, the profits to the railroad would be as great, for the former 3 or 4 daily sections of the

Century are now operated merely as separate trains, spread out over a period of 3 hours in departure, with the Advance Century, the regular Century, Commodore Vanderbilt, and Wolverine occupying virtually the relation of 4 sections of the Century.

### \$2-Million Profit

To the New Haven Railroad, the Merchants Limited, crack 5-hour New York-Boston twilight flyer, earns more than any 2 other trains on the railroad. In a normal year, it returns approximately \$2 millions to the railroad, carrying approximately 250-300 passengers each way nightly.

On the other hand, the same railroad's de luxe Yankee Clipper fell far below expectations due to scheduling the train for departure too early in the afternoon, and to an extra fare out of proportion to the relatively slight saving in time. (It has averaged half of its potential capacity of 200 passengers although the road persists in running the full 7-car consist daily.) Still, it pays its way.

Anyone can compute gross and net profits of a given train with fair accuracy. Out-of-pocket costs of operation range from 25¢ a car-mile upward. A 12-car train on roads of ordinary grades does not cost greatly in excess of \$3 a train-mile. Balanced against this is an earning-power of 5.6¢ per passenger mile; ½¢ Pullman surcharge; 1¢ of possible extra-fare; total 5¢, not to mention possible profit on Pullman contracts where business is good. Thus, the Century, with as few as 100 passengers, grosses \$5 a train-mile.

In the West, the Santa Fe has a gold-mine in its California trains. The Chief (extra-fare \$10, Chicago-Los Angeles) is the popular train in the route but the California Limited (with a daily second section now moving as an independent train, known as the Grand Canyon Limited) pays handsome dividends to the railroad daily.

Canadian trains show smaller earnings because so large a proportion of their passengers are "deadheads," governmental officials, members of Parliament, press and innumerable other beneficiaries riding free.

### Earns \$10 a Mile

On the Southern Pacific, the Daylight Special, all-coach de luxe train, San Francisco-Los Angeles, handles upwards of 300 passengers daily each way in a 10-car train. Even at cut-rates obtaining, the train probably earns up to \$10 a mile, perhaps 3 times its operating costs.

With elimination of the "secondary" trains in the Northwest, the 3 railroads—Milwaukee, Northern Pacific, and Great Northern—are concentrating all travel in 1 train a day each, with some supplementary local service. The result



**PULLMAN PULLER**—The first of 10 high speed electric passenger locomotives just delivered by General Electric to the New York, New Haven, & Hartford Railroad. They can haul 15 8-ton Pullmans at maximum speed



is a substantial earning-power per train even though the 3 are directly competitive on the Chicago-Twin Cities-Spokane-Seattle run, no originality being shown by these railroads in the scheduling of their trains. If one left Chicago in the morning, public service would be vastly improved.

Baltimore & Ohio's Capitol Limited, Washington-Chicago, is another big money-earner, and its New York-Washington air-cooled Columbian is operating to capacity daily. The air-cooling is regarded as the most important public improvement to trains in a decade and other roads are adopting it rapidly, Santa Fe having an air-cooled diner, Missouri-Kansas-Texas Lines having 3 such cars in its Texas Special and Pennsylvania coming out with a diner similarly equipped.

#### Critics Stress Wastes

Critics of excessive passenger competition ignore the favorable factors, stressing only the evidences of wasteful train-mileage. Much of Baltimore & Ohio New York-Washington service is unprofitable, while Pennsylvania's New York-Chicago route is probably overscheduled with its four 20-hour trains running each way daily in competition with the New York Central.

By and large, however, it is not the de luxe trains which need the pruning knife. Pooling of earnings in Mid-West lines (notably Chicago-Twin Cities; Chicago-St. Louis; Chicago-Kansas City and Omaha) is less certain of benefits to participating carriers than a voluntary reduction in number of trains operated. The Chicago-St. Louis route, for example, does not warrant the more than a dozen trains daily by 4 roads, when the New York-Boston route, serving more populous intermediate territory and larger cities, can maintain only a score of trains daily.

#### Few Unprofitable

Competitive trains may and often do earn money for their roads, however, notably on the St. Louis-Texas route, with the Texas Special (Frisco-Katy) and the Sunshine Special (Missouri Pacific) both doing well in normal times. Similarly, the Golden State Limited (Rock Island-Southern Pacific) much more than pays its way in winter, competing for Arizona and California business with Santa Fe and Chicago & Northwestern-Union Pacific.

Generalized criticism of so-called "excessive" passenger service is not well-founded. Only specific instances warrant criticism of railroad practice of maintaining competitive limiteds.

## Would YOUR Comfort Demand This



**Y**OU probably would be more comfortable in your office, if you paid someone to keep an eye on the thermometer and a hand on the radiator valve. But, of course, you wouldn't do it. As a matter of fact it isn't necessary. The new Sylphon Radiator Valve is the automatic hand, thermostatically controlled, which holds the temperature of your office to suit your individual idea of maximum comfort.

It is never too hot, never too cold with Sylphon. Your office will be as comfortable at 4:00 P.M. as it was at 10:00 A.M. If 65° is *your* temperature you can have it—or 69°, or 73°—whatever *you* require to be

comfortable and work efficiently. By smoothing out the peaks and valleys of temperatures, Sylphon saves steam and reduces heating costs.

• • •

Try Sylphon . . . and be comfortable. Installation is easy and inexpensive. No mechanical accessories to get out of order. Owners and managers of factories, hotels, apartments, and office buildings, should know about this practical individual automatic radiator control. Ask for fully descriptive Bulletin No. NW 250.

**FULTON SYLPHON CO.**  
KNOXVILLE, TENN., U.S.A.

European Representatives, Crosby Valve and Eng. Co., Ltd., 41-2 Foley St., London, W. 1, Eng.; Canadian Representatives, Darling Bros., Ltd., 140 Prince St., Montreal, Que., Can.

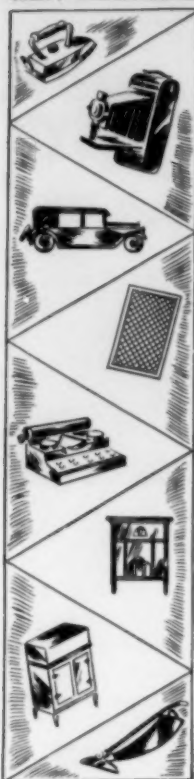
REPRESENTATIVES IN ALL PRINCIPAL CITIES IN U. S. A.



**automatic  
RADIATOR VALVE**



## CHECK YOUR PRODUCT and YOUR PRODUCTION



To business executives who are analyzing their production with a view to meeting modern merchandising needs, the services of the Thomas Steel organization, specialized in strip steel uses, are available without obligation.

**T**HOMASTRIP is the modern development in cold rolled strip steel for the most advanced manufacturing practice. Application of Thomastrip to your production will benefit your product, your sales and your profit.

### BRIGHT FINISH COLD ROLLED STRIP STEEL

Metal workers who use Thomastrip for deep drawing, stamping and forming operations know that production is less expensive, easier and more satisfactory with Thomastrip.

### ZINC COATED COLD ROLLED STRIP STEEL

Insures rust-resisting products, produced more easily and less expensively. An attractive smooth and durable finish which will not crack or flake in forming or drawing.

### COPPER COATED COLD ROLLED STRIP STEEL

Reduces production cost and prolongs the life of dies. Prevents material from rusting in stock and during processing. Provides the base for further plating operations. A practical finish for many products. Particularly recommended for inside work.

## THE THOMAS STEEL CO. WARREN, OHIO

Headquarters for Specialized Production Cold Rolled Strip Steel

ZINC COATED  COPPER COATED  
**ThomaStrip**  
COLD ROLLED STRIP STEEL

for men of action

« « « «

The *Business Week* appeals to men of action simply because it is moulded to their temperament—it gives them what they want when they want it. ¶ Except that they were keenly interested in business, on top of their jobs, alert to opportunity, seeking every possible means to steer their businesses forward, they would not have subscribed in such distinguished array. For The *Business Week* is not designed for entertainment, for leisure reading. It is essentially a utilitarian service—a magnet of compelling interest for active, serious and progressive business leaders.

» » » »

THE BUSINESS WEEK

## Shipping Board May Aid Lines by Credit Leniency

How much aid is the United States Shipping Board giving to the American merchant marine?

Few people know definitely. The Board refuses to disclose complete information. Aid, when it is granted, is largely in the form of a temporary postponement of payments due. It is purely a commercial operation in which the Shipping Board is playing the part of a banker. And as a banker, it refuses to reveal the amounts its clients have paid on notes and mortgages.

The Shipping Board has revealed to *The Business Week* certain pertinent facts. Since 1918, the Board has disposed of 1,979 vessels of all kinds, including tugs, barges, and uncompleted hulls. Total sale price was \$281,500,000. On June 20 of this year, there was due the Shipping Board on notes, mortgages, letters of credit, and accounts receivable approximately \$35,800,000. It is on a portion of this obligation that the Shipping Board has extended credit to certain lines hardest hit by the shipping depression.

### U. S. Not Alone

Special government aid for national merchant marines is not confined to this country. France has recently voted to guarantee a \$6 million bond issue for the relief of the French Line (*BW*—July 31). At the same time it is reported the government takes a mortgage on the ships and buildings of the company and is given a voice in the board of directors.

In reviewing the American merchant marine, the Shipping Board recently pointed with pride to its growth. American flag lines now have regular sailings from 16 Atlantic, 18 Gulf, and 29 Pacific ports. From New York alone, 42 American flag lines operate a total of 75 services. Philadelphia has 26 American flag lines, Baltimore 25, Los Angeles and San Francisco 22 each, Seattle 18, Boston 17, and New Orleans 16.

## Test Shipments of Wheat Abroad from Hudson's Bay

OTTAWA (*Special Correspondence*)—The feasibility of shipping wheat from Port Churchill by the Hudson's Bay route, shortening the route to Europe, will be tested this year with experimental trips under the direction of the government. If successful, the port will be officially opened in 1932.

# Farm Board's Wheat Policy Is Likely to Help Price, at That

**But the only immediate effect of its compromise has been to set the stage for a political battle**

THE Farm Board's June 30 announcement of the policy it proposes to pursue in handling the 200-million bushel wheat carryover during this crop year (July 1, 1931-June 30, 1932) has led only to resumption of hostilities between the board and the grain trade. Disappointed wheat belt senators also unlimbered their Big Berthas and are preparing to lay a heavy barrage on the board all summer. After several months of truce and comparative quiet on the Farm Board front, under the conciliatory tactics of Chairman Stone, the prospects are for a major battle over board policy next session.

## Was a Compromise

The board's announcement was a compromise between its own preference for no promises about the disposal of the surplus, the insistence of grain trade interests that it lay down at least a definite program, and the demand of Western senators that it lock up, throw away, burn, or otherwise remove from the market its 200 million bushels of last year's wheat.

Pressure transmitted through the White House led the board to "clarify" to this extent its previous general promise not to dispose of this surplus in

such way as to depress the market:

(1) It will limit its total sales to 60 million bushels till July 1, 1932; (2) No more will be sold in any month than will bring the monthly average up to that time to 5 million bushels; (3) The 60 million bushels will not include sales now under negotiation or contract to foreign governments or their agencies, probably amounting to 50 million bushels more, or sales of special grades to millers; (4) The latter and other domestic sales will be offset by purchases of equal quantities; (5) No net sales will be made at the present range of prices; but no minimum price at which sales will be made will be fixed; (6) If world production should be so radically altered that the whole surplus could be disposed of without depressing prices, this will be done, with ample notice and after consultation with farmers' representatives.

## "Forced Statement"

Chairman Stone says this statement of policy was forced upon the board by the grain trade, which has been complaining that the surplus hanging over the market has depressed prices by paralyzing speculative interest. A conference of trade representatives with the

board in May led to rumors of an impending armistice, but no new announcement of board policy was forthcoming till the White House's pointed suggestions, over Stone's protests of board independence, started emergency sessions of the board in the last week of June and produced the recent statement.

Smarting under the embarrassment of this surrender, Chairman Stone celebrated Independence Day by a display of verbal fireworks signaling the re-opening of hostilities and calling for a show-down with the grain trade. "You have what you have been clamoring for," said he in substance, "and if that is what was holding the market back, now show your stuff." And added, "I don't think the board could issue any statement they would receive with favor. They seek only to discredit the board. Fundamentally, they are opposed to having the farmers organize." The pit's only reply was a sharp slump in spot wheat prices at the end of June, and weakening prices since.

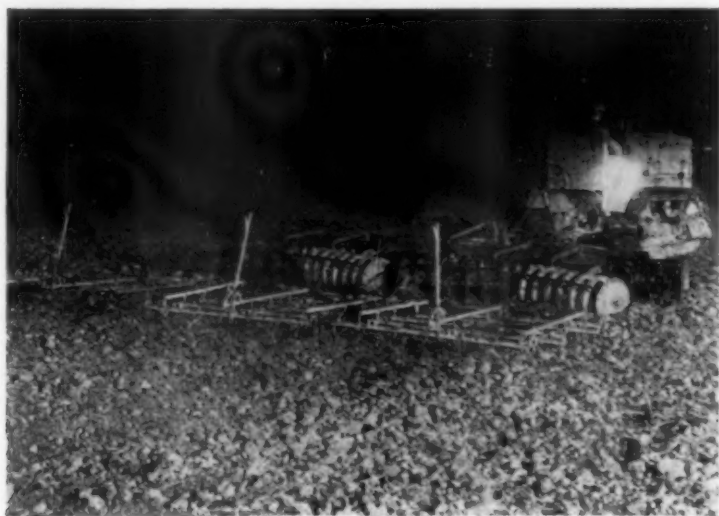
## The Political Pressure

Back of the announcement, however, was something more than grain trade pressure. Politics played an important part. Republican party potentates from the grain states have insisted that the board hold its surplus off the market till prices reached at least what the wheat cost—an average of 92¢. Borah said \$1.25 should be the price; Capper and Vice-president Curtis were satisfied with 85¢. Kansas has a record wheat crop. Farmers in that state are said to be planning to store this crop for higher prices or feed more of it to livestock. Party men are interested in assuring them prospective higher prices later to prevent rushing this crop to market at prevailing low figures. The President also is anxious to see higher prices in December when Congress meets, in order to have general support among the agricultural bloc for his moratorium proposal, and forestall any bargaining of foreign relief for domestic.

## Acreage Reduction Preferred

The board, on the other hand, is not interested in higher prices this year. It wants acreage reduction in winter wheat planting this fall. It was willing to promise not to depress prices this season by dumping its surplus, but was more anxious for farmers to promise not to plant more, and repeated its warning on this score in the announcement, in order to take the bloom off farm hopes of much higher prices.

Other factors entered. This is the favorable season for foreign sales of American wheat. Southern hemisphere



Wide World

**NOCTURNAL FARMING**—In Illinois, farmers are rushing the work of preparing the seed-bed for the winter wheat crop; this laborer, using the most modern of machinery, is a member of the night shift



## Blind flying— Yet flying With safety

Through fog where the pilot can scarcely see the wing tips, planes are guided. Blind flying this is called, accomplished by means of instruments of precision on the panel board. Without such instruments the plane would crash.

Fog, dense and sticky, often clings around the operation of a steam plant and obscures maximum economy. Through it, management is often at a loss to pilot successfully. Accurate guidance becomes a vital necessity if management is to pilot straight and true.

For twenty-four years, The Fuel Engineering Company has developed the science of blind flying through the fog of disturbing cost factors, emerging with certainty and safety into the area of clear visibility.

From our studies of your conditions and existing coal market values, a definite cost of operation is established—then your factors are balanced to achieve this cost.

Often the necessary adjustments are small, and without rare experience and knowledge are apt to be overlooked—but it is within this fine area that surprising economies may be effected. Guesswork does not enter into our calculations.

Blind flying holds no terrors for the airplane pilot who reads his instruments. Modern steam plant management looks to us for skillful piloting. May we explain our methods in greater detail?

EST-  1907

FUEL ENGINEERING COMPANY  
OF NEW YORK

116 East 18th Street, N. Y. C.

crops are not in the market yet. Russian wheat, mainly spring planted, comes to market from August to April. The Canadian crop, also spring wheat, is short. Foreign supplies are low. The board sees a chance to sell a good part of its surplus abroad in July and August. That is why it made reservations regarding foreign sales. Also Northwestern millers are short of hard spring wheat for milling at this season. There is practically none on farms. The Farm Board has most of last year's crop. If it does not sell, the Northwest may have to buy hard winter wheat from the Southwestern farmers and spoil the home market for the local spring wheat.

### Kansas Levies a Tax

On top of all this, Kansas, clamoring most loudly for the Farm Board to store the surplus, complicates its problem by taxing the board's wheat in storage in that state—22 million bushels on which taxes amount to half a million dollars. The Kansas Tax Commission says the Farm Board Stabilization Corp. is a private "profit-making" concern.

As matters stand, the prospects for improvement in wheat prices are not poor, and the board's move may help them, in spite of itself. The winter wheat crop will be of bumper proportions, probably around 700 million bushels, 100 million above last year. The spring wheat crop, damaged by drought, will be about 50 million bushels short of last year, and the Canadian crop at least 100 million

short. Early estimates of the world crop indicate a reduction of about 400 million bushels, and a disappearance this season of at least 200 million bushels more than last.

### May Come Out Even

With a world carryover of around 600 million bushels on July 1, European supplies low, European crop prospects poor, and Australian and Argentine acreage much reduced, there is a fair chance that the world may come out more nearly even on its wheat by next July if it takes the Farm Board's counsel to cut production in earnest. The market might begin to reflect this picture by fall if business recovery begins and the hard feelings between the Farm Board and the grain trade are forgotten by then. After all, the 200 million bushels the Farm Board holds—nearly all the commercial visible supply—is just about 3 weeks' average world consumption, under normal conditions a mere trifle.

The demand for an adequate surplus-disposal program for wheat is expected to be followed around Aug. 1—the beginning of the cotton crop year—by a similar announcement for cotton. Pressure is less because of prospects of improved foreign demand for American cotton following the moratorium; and the board is less likely to resist any action to strengthen the cotton market because there is fairly clear evidence of at least a 10% acreage reduction this year, and also because Southern votes will be important to Republicans.

## Canada Plans Dominion Aid To Assure Unemployment Relief

DECLARING Canadian unemployment conditions and the deplorable situation facing Western farmers to be a "national calamity," Premier Bennett is expected to ask Parliament for a blank check with which to deal with the emergency, aggravated by approaching winter.

Already a new plan has been worked out with British Columbia, will be extended to other provinces. Under it, municipalities are relieved of all cost of relief to non-residents while the Dominion contributes 50% and the province 30% toward the support of resident unemployed.

Although about 50% of the \$4 millions appropriated last fall for direct relief is still available for emergency use, the new plan will require anywhere from \$25 to \$50 millions

more. Even the new British Columbia plan is not considered adequate by some municipalities. At a conference of mayors and reeves (sheriffs) of the province, a resolution was adopted declaring that local communities are wholly unable to deal with the emergency; that, even if they desired, municipalities are financially unable to accept the proportional scheme.

Another suggestion is for the Dominion government to declare a national emergency and, under a semi-military system, to mobilize all unemployed single men and put them at work in the construction of the promised transcontinental highway. Arguments in favor of this plan are that it would prevent evasion of work, would eliminate much direct charity relief, would secure



to the country a tangible return for the money disbursed.

Recent developments were precipitated by the return of Senator Gideon D. Robertson, Minister of Labor, from a trip through the Prairie provinces where he found conditions very bad. He reported that 150,000 farmers in central and southern Saskatchewan are in danger of starvation, are without bread.

#### Cities in Bad Way

Toronto reports 9,000 families being supported by direct relief. In Montreal, E. G. Vaz, Federation of Jewish Philanthropists, says unemployment is 60% higher than at any other time in the history of the federation. Oshawa, Canadian home of General Motors Corp., has 1,600 of its 20,000 population out of work. In Ottawa, unemployment parades have been frequent and some 2,600 are now registered at the government's employment bureau. The city social service department spent \$109,000 during the first 5 months of this year compared with \$32,000 during the same period a year ago.

At a conference in Manitoba, city representatives announced that in the 7 suburbs of Winnipeg, with 49,000 population, 25% will be without means of support this winter. Conditions in British Columbia have been so bad that Premier Tolmie has started a highway construction program without waiting to learn what part of its cost will be assumed by the Dominion.

Leaders of 30 Ontario centers have adopted resolutions calling for relief "before a dangerous situation develops."

#### Canadian Wheat Guarantee Set at 50¢ a Bushel

OTTAWA (Special Correspondence)—The forecasted federal intervention in the Canadian wheat situation (BW—Jul'8'31) will be forthcoming. The plan is virtually decided upon: governmental guarantee to the banks of advances for initial payment. The payment Ottawa has fixed is 50¢ a bushel. It means, practically, stabilizing the price to the farmer at that figure, independent companies having to pay at least as much.

Unlike government guarantees in the past this one will extend to independent grain companies. Previously, they extended only to pools. The impression in Ottawa is that the pools will have to turn over the management of their properties to the provincial governments or some central organization covering the 3 prairie provinces.



**125,000,000**  
hurrying, tramping  
travelers\*... MASTIPAVE, the  
Magic Floor, carries on!

Millions of commuters and tourists. Hurrying, scuffling, tramping. 125,000,000 of them in four years' time haven't worn out MASTIPAVE. To say nothing of the thumping, grinding baggage trucks! That's performance! No other floor covering could give it at the same low cost.

MASTIPAVE is resilient and non-slip even when wet. Water-proof, rot-proof. Costs only about 14 cents per square foot, laid! Decorative effects and colors slightly higher.

Write for the free Booklet.

THE PARAFFINE COMPANIES, INC.  
475 Brannan Street, San Francisco, Calif. Branches in Principal Cities  
\*Runways to ferries of Key System, Ltd., and Southern Pacific,  
Oakland, Calif. Laid in 1927.

THE LOW-COST, LONG-LIFE FLOOR COVERING

**MASTIPAVE**

*"Men are disturbed not by the  
things which happen, but by the  
opinions about the things".*

... Epictetus.

In the realm of business opinion The Business Week occupies a unique place. It is the collaborator of the opinion-makers. Every week it supplies 75,000 of the most important business men of America with the raw materials that will take shape as opinions tomorrow. These raw materials are in the form of news.

The Business Week has no counterpart. It is a new and concrete force for advertisers who realize that the one sure mark of leadership is to associate with the leaders.

#### THE BUSINESS WEEK

*First because fastest—closest to the news!*

# Debt Charges, Centralization Weigh Down European Budgets

**Survey shows American taxpayer must spend more  
for social services, nearly as much for armament**

INTERNATIONAL debt moratoria, warnings of national bankruptcy, pleas for world cooperation have focussed Mr. John, Jean, Hans, or Giovanni Citizen's attention on the high cost of government as never before. His interest has been brought to a head by this week's decision at Paris. Business, which must pay the piper for the tune the diplomats have called, is asking pertinent questions: How far do the actual cost figures explain Europe's troubles and our fat deficit? How does Europe's overhead check against that of the United States? What, comparatively, do Europeans and Americans get from their governments for their money?

## Survey Supplies Answers

A comprehensive survey by *The Business Week's* European Bureau permits the first complete answers to these questions—and to many more. This survey is supported by summary tables of specific figures compiled for individual countries, so adjusted as to be comparable, and excluding expenditures financed from such government enterprises as railways, postal services, and monopolies, or in any other way

than from current revenues. Dealing, first, with general costs and deficits, it reveals that:

(1) Fifteen European countries, containing 330 million or 91% of Europe's 370 million people, excluding Russia, have this fiscal year budgeted for \$12.5 billions of expenditure and revenues—\$38 per head. The United States, with its 123 millions, has budgeted \$4 billions—\$32 per head, 16% less than Europe.

## \$57 Per Capita

(2) By far the greatest part of European expenditure is concentrated in 6 highly industrialized countries along the Atlantic seaboard. These countries have budgeted for 1931 at \$57 per capita, 80% more than the United States. Countries and their per capita revenues included in this group are England, \$99.50; France, \$49.50; Germany, \$39; Belgium, \$41; Holland, \$33.40, and Switzerland \$19. Other high per capita costs in Europe included Austria's \$34.80, Italy's \$23.90, Greece's \$21.30 and Czechoslovakia's \$20. These figures compare with \$32 for the United States.

(3) Obviously, from the standpoint

of federal drain on national income, the American taxpayer fares better than his European colleague living under comparable conditions.

Common belief attributes the difference to the fact that America is a homogeneous, one-language country of 123 millions while Europe's 370 millions are divided among 24 countries, separated by 24 tariff barriers, and speaking 23 languages. Too, the American lives in a geographically isolated continent which he dominates; Europe in a costly armed camp. The American lives in a country where unemployment insurance, Europe's Frankenstein monster, has not yet been introduced. Yet common belief is shown wrong by the figures:

For 1931 Europe is budgeting \$5.95 a head for national defense, the United States \$5.60.

For 1931 Europe is budgeting \$7.38 a head for social services and pensions; the U. S. \$7.54.

## 2 Reasons for Difference

The fact that federal government costs are lower in the United States appears to be attributable instead to:

(1) Lower debt charges. As a result of the war, the United States became the world's principal creditor; Europe the world's largest debtor, both to itself and to America. As late as 1930, differences in costs of public debt servicing and amortization as between Europe and the United States were still scarcely appreciable, \$11.40 versus \$10.20 a head. But in 1931 Europe has been able to reduce these

**Europe's Expenditures and Revenues**

Areas	Population, millions	Budgeted (To nearest \$ millions)				Revenue Per Capita		Deficits		
		Expenditures		Revenues				Actual	Budgeted	
		1930-31	1931-32	1930-31	1931-32	1930-31	1931-32	\$ millions 1930-31	\$ millions 1931-32	Per capita 1930-31
6 Industrialized Western Countries (1)	169.4	9,867	9,707	9,784	9,591	\$57.75	\$56.62	571(a)	98.7	\$3.38
2 Mediterranean Coun- tries (2)	64.1	1,367	1,402	1,384	1,387	21.59	21.64	11(b)	15.4	0.17(b)
7 Eastern European Countries (3)	97.9	1,557	1,571	1,575	1,577	16.07	16.09	30(c)	4.9(S)	0.31
Total 15 Countries (4)	331.4	12,791	12,680	12,743	12,555	\$38.45	\$37.90	612	109.2	\$1.85
United States	122.8	3,752	3,933	4,130	3,956	\$33.63	\$32.03	903	23.0(S)	\$7.34

(1) England, France, Germany, Switzerland, Belgium, Holland. (2) Italy, Spain. (3) Poland, Czechoslovakia, Austria, Hungary, Yugoslavia, Roumania, Greece. (4) The 15 countries represent 91% of the population of Europe, excluding Soviet Russia.

(a) Switzerland alone showed a surplus (\$1.3 millions in 1930-31). The largest deficits were Germany, \$312 millions; England, \$113 millions; France, \$88 millions. (b) Spain reported a preliminary surplus of \$4.4 millions for 1930-31; has budgeted for a surplus of \$6.6 millions in 1932. The Italian deficit for 1930-31 (year closing June 30) is estimated at \$15 millions but may reach \$50 millions. Italy has budgeted for a deficit of \$22 millions in 1932. (c) Hungarian 1930-31 deficit was \$20 millions or \$2.30 per capita. The Roumanian \$51.4 millions or \$2.85 per capita. Yugoslavia and Greece reported small surpluses; other Eastern European countries, small deficits. (S) Surplus.

costs only to \$11.08; America, through amortizations largely from European payments, to \$8.54. Comparison is still more striking in the case of western Europe, where the 6 countries previously named budgeted for debt charges \$18.82 in 1930 and \$18.15 in 1931.

#### Load Is at the Top

(2) Greater centralization in Europe than in the United States. European governments meet costs which in this country are commonly met by state, county, and municipal bodies. After deducting military, social, and debt charges, European governments still have to meet administrative and other costs amounting to \$13.50 per capita, while such costs come to only \$10.33 in Washington, notwithstanding the fact that it must pay considerably more than Europe for materials, equipment, and services.

It remains, however, an open question as to how much of the difference between European and American costs of federal government the American taxpayer pays on non-federal dues.

#### Few Savings in 1931

One thing stands out in connection with European deficits. Nowhere, with the exception of Germany—and possibly of Roumania—has economic depression so far resulted in serious demoralization of federal finances. On the other hand, notwithstanding depression, Europe has provided for virtually no reduction of expenditure in 1931. Many countries have this year frankly budgeted for deficits. These budgeted deficits total \$109 millions on paper but that figure will probably be substantially exceeded by the end of the year.

In 1930, Europe, budgeting at a level of \$38 per capita, incurred a total deficit (which may still be increased by later returns) amounting to 5%—\$621 millions, \$1.85 per capita. By comparison, the U. S. budgeting at \$32 a head, incurred a 23% deficit—\$903 millions, \$7.34 a head.

Of the European deficits \$571 millions were concentrated in the high-cost western countries. Greater than anticipated social service costs—heaviest in these industrial countries—and lower than expected revenues were the principal causes of deficits.

#### Germany's Deficit Highest

The most serious individual deficit in Europe was incurred by Germany, \$312 millions, \$4.88 per capita. Next in size come those of Belgium and Holland (that of the latter due to capital investments from current in-



## The only street in the world that is paved with linoleum

It's in the "City of Light"—a city with streets you can walk on and full-size stores and offices you can enter—all within the walls of Grand Central Palace, New York City.

Westinghouse maintains this permanent exhibit to show the most modern methods of lighting and equipping business, institutional and residential interiors. Interiors, as well as "streets," are floored with Sealex materials.

Certain floor areas called for heavy duty materials. Others demanded the quiet, comfortable



type of floor that increases employee efficiency. Some required de luxe, designed-to-order floors—the kind that impress customers.

No matter how exacting your floor requirements may be, Sealex materials will satisfy you as completely as they did Westinghouse.

**CONGOLEUM-NAIRN INC.**

General Office . . . KEARNY, N. J.

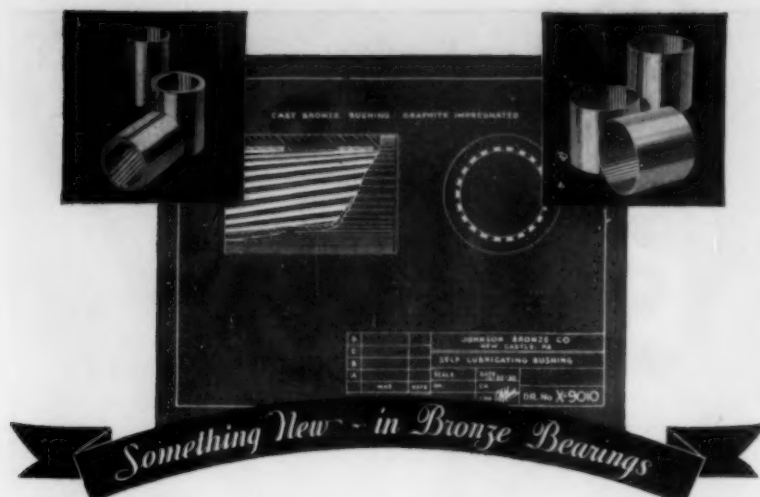


Westinghouse representatives will be glad to show any interested executive through the "City of Light." We suggest that you arrange to see this very practical exhibit, the next time you are in the vicinity.

Also, write our Business Floors Department for full information on Sealex Floors. You will be interested in Bonded Floors—Sealex flooring materials backed by a Guaranty Bond.







#### CAST PHOSPHOR BRONZE GRAPHITE IMPREGNATED

Nearly half of the entire bearing surface in this new Cast Phosphor Bronze Bushing is graphite impregnated.

As illustrated, this result is accomplished by CUTTING dovetailed grooves of approximately  $1/32"$  in width into the bearing surface longitudinally on an angle of seven degrees.

**A** GAIN, the bronze bearing specialist achieves something new. This time, an advanced design of Self-Lubricating Bronze Bushing, which is destined to be the outstanding bearing discovery of 1931.

The new bushing provides for adequate and lasting lubrication, uniform distribution and maintenance of the lubricant, adaptability to any service, long life, and low cost.

By actual test these characteristics are present to a greater degree in the new Johnson Bronze Self-Lubricating Bushing than in any similar product of its kind available.

Request samples now, and see for yourself how this new Johnson Bronze discovery solves the problem of obtaining efficient bearing performance in installations where external lubrication is either difficult, or heretofore impractical.

#### ROLLED STEEL METAL GRAPHITE IMPREGNATED

In applying this new discovery in the making of Rolled Sheet Metal Bushings, grooves are CUT into strip metal, and by forming the metal into cylindrical shape, these grooves automatically form a dovetail.

This dovetail holds the lubricating compound in place permanently. CUTTING in the grooves insures an unfractured metal structure and maintains its uniform hardness and strength.

come), both over \$3; then those of England, France, and Hungary, over \$2. For no other country did the deficit exceed 36¢ per capita (though Italy's final deficit may be higher), but only 4 (Switzerland, Spain, Yugoslavia, and Greece) reported surpluses.

#### Slashes Expenses

Fiscal disequilibrium has so far had serious repercussion upon economic conditions and business, required international financial support in Germany only. By a series of measures, Germany has now cut expenditure to the bone, raised taxation to the limit of diminishing returns. The Roumanian deficit is still given as only \$6 millions, but a concealed deficit exceeding \$30 millions is suspected, while revenues in the first 4 months of the new fiscal year have fallen 40% below estimates. French financing is chiefly involved in this situation.

Germany may not pile up another such loss as in 1930 but it is probable that practically all other countries will make a poorer showing than in 1930, especially the eastern countries which, in 1930, gave relatively the best performance. Investment programs are being cancelled or suspended; many countries have followed the German precedent of reducing government employees' salaries; social services are to be restricted.

#### Different Tax Structure

The striking size of the American deficit as compared with the European is apparently due primarily to differences in taxation structure. We rely far more heavily upon direct taxation for revenue, than does Europe—to the extent of 57% of total revenue compared with Europe's 35%. Direct taxes are the first to show declines in times of economic depression. The U. S. deficit is ascribed primarily to the failure of income taxes. Conversely, indirect taxes can the most readily be increased when direct taxes fail. Europe, with a more highly developed system of, and experience with, indirect taxation, (i.e. sales and excise taxes, customs, monopolies, etc.) has been able better to extend this accordian pleat to meet the emergency.

#### Direct and Indirect

Where, in 1930, Europe collected 48% of total revenue from indirect taxation, we collected only 29%. For 1932, Europe has budgeted for practically no change in the proportion of direct and indirect taxation but the United States has budgeted for an increase of indirect taxation from 29% to 33% of total income.

BRANCHES  
New York  
Chicago  
Philadelphia

JOHNSON BRONZE COMPANY  
NEW CASTLE, PA.

BRANCHES  
Detroit • Dallas  
Kansas City  
San Francisco

**JOHNSON BRONZE**  
BUSHINGS BEARINGS BAR BRONZE

SEND THIS COUPON . . . Samples of the new Cast Phosphor Bronze Bushing and the new Rolled Sheet Metal Bushing are available on request, without obligation.

Firm Name \_\_\_\_\_  
St. Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_  
Product Manufactured \_\_\_\_\_  
CHECK WHICH TYPE DESIRED ☐ Cast Phosphor ☐ Rolled Sheet Metal



# Business Abroad—Swift Survey

## Of the Week's Developments

World business is less buoyant... Delay at Paris was almost fatal to Germany, caused a renewal of the gold and foreign credit drain... Spain is faced with banking difficulties of the first order... Britain, sensitive to various foreign uncertainties, has given way to a degree of temporary nervousness though the general tone still is good... France is tempering domestic dissatisfaction over the debt accord with an improved local labor outlook. The immediate future is not bright... Central Europe probably will pick up if the German situation clears... Italian industry is entering the summer slack period, but is optimistic... The Latin American outlook has changed but little. There is no assurance yet that financial aid is forthcoming... The Japanese situation is unchanged.

### Europe Suffers Relapse Following Debt Accord

EUROPEAN NEWS BUREAU—(Radio.) The nervous tension of prolonged waiting for some settlement of the Franco-American protocol has produced a psychological relapse to the pre-Hooverian fatalism. Stock markets and commodities have drooped, while haemophilic Germany shows definite signs of approaching complete collapse. Banking difficulties became particularly acute in Spain (Bauer & Co., another of the Rothschild banks, and Banco de Cataluna), in Switzerland (Bank of Geneva), and in Germany where practically the whole system is menaced, but particularly the Darmstadter Bank.

#### Unemployment Grows

Unemployment in England increased by 37,500 last week. Unemployment in Germany still is slowly declining but is expected to reach a minimum of 6 to 7 millions in the coming winter.

The south central European states are looking for immediate relief from the Bank for International Settlements whose funds were greatly reduced last month, though participation in South American loans is denied. For the expected forthcoming European loans, the only possibility is to call upon banks and bond holders, or to raise credit funds through international participation.

Wheat prospects throughout Europe

continue to be good. France already has decreed that bread contain 80% instead of 70% domestic wheat, in order at once to tackle the surplus. Latest estimates of Russian spring wheat sowings amount to 62½ million acres, or 90% of the area planned, while the total of all crops sown amounts to 230 million acres, or 95% of the Plan.

#### Sign Rayon Agreement

The German-Dutch-Swiss-Italian rayon agreement covering the German market has been signed for a period of 10 years. The combine will sell in Germany only through a joint sales organization known as Kunstseide Verkaufsbureau controlling 75% of German imports and 95% of total German rayon consumption. Of the remaining 25% of imports, 20% are French and Belgian. This agreement generally is considered the first step towards a European rayon cartel.

The nitrate cartel meeting adjourned till July 15 when accord is likely. In 1930-31 consumption fell to 1½ million tons, but production increased to 4 million. The majority of delegates voted for 1½ million tons reduction during the coming year.

#### Spain's Banking Troubles

Spain's banking difficulties came to a head this week when post-revolutionary reaction set in, caused the flight of capital. Bauer & Co. was the first to suspend payments, but their action was followed closely by the Banco de Cataluna. At the eleventh hour, the Banco, anticipating a crisis, appealed to the Madrid government for aid but it was refused.

This move by the government has revealed that Finance Minister Prieto is an old political enemy of the president of the Banco de Cataluna.

In the meantime, market conditions reflect the nervousness of the public over the entire financial and political situation. Currency exchange is not yet improving. The national political situation, already obscure, is further complicated by the move of Catalonia in drafting a separate constitution and demanding that 5 regions be given autonomous authority.

Rumors of banking difficulties in Hungary are declared unfounded. They started a week ago when it was announced in Budapest that the Hungarian government was seeking to raise

a \$25 million loan abroad. With the Austrian Credit-Anstalt troubles fresh in mind, the public promptly decided the Hungarian General Credit Bank was in difficulty.

Inquiries, however, show that this is not a second Credit-Anstalt affair although it has some similarities. Whispers persist that the French financial campaign is one cause of the Hungarian Credit Bank's embarrassment. It is being said that France is willing to play the part of Hungary's saviour in return for political concessions.

There appears to be at least an indirect connection between the new bond issue, which the government declares is to fill national coffers until farmers sell their crops and pay taxes, and the Credit Bank's temporary embarrassment. While the bank faces no acute crisis now, such a development is possible unless the Hoover proposal brings very decided economic improvements to Central Europe.

#### Finance Tax Fails

Immediate difficulties of the bank are due to the failure of the Hungarian state finance tax. The deficit is now \$30 millions and \$15 millions are owed to industries controlled by the Credit Bank. The situation was made worse when worried foreign creditors terminated credits after the Credit-Anstalt affair, although the 2 banks are unrelated.

### Industry Aids Reich In Stemming Gold Drain

Delayed Paris settlement causes fresh gold drain. Government calls on industry for emergency relief. Situation eased but still serious... Private commercial banks hard pressed... Current indicators down; cost of living rises... Rayon agreement reached.

BERLIN (Cable)—Business is greatly relieved by the Paris settlement, though the half month delay in the consummation of the Hoover Plan has deprived it of a great deal of its original psychological effect and has allowed the process of disintegration of the German currency and credit system to make dangerous, though not yet irreparable, progress. While satisfactorily solving, at least for the time being, the budgetary problem, suspension so far has proved insufficient to restore capital equilibrium. Because of the continued gold drain, leading industrialists have volunteered securities for an emergency

credit and other companies have been drafted to offer aid.

After a short respite following the announcement of the moratorium plan, the gold drain on the Reichsbank has resumed, the losses since the beginning of the credit panic now being close to \$350 millions. By 75% utilization of the \$100-million rediscount credit, the Reichsbank was able to maintain the legal 40% cover on currency through the end of June, but subsequently not only the entire credit has been exhausted but a further \$50 millions of American credit loaned to the Gold Discount Bank has been used for the same purpose. Gold is leaking again, reached \$25 millions on Monday, \$13½ millions Tuesday, and \$10 millions Wednesday. The general council of the Reichsbank finally has been forced to reimpose credit restrictions which at first it was thought possible to abandon. Although the bank promises to meet the peculiar exigencies with special regulations, business rightly apprehends any further artificial contraction of the already reduced credit volume of the commercial banks because of the drastic effect on legitimate business.

#### Living Costs Rise

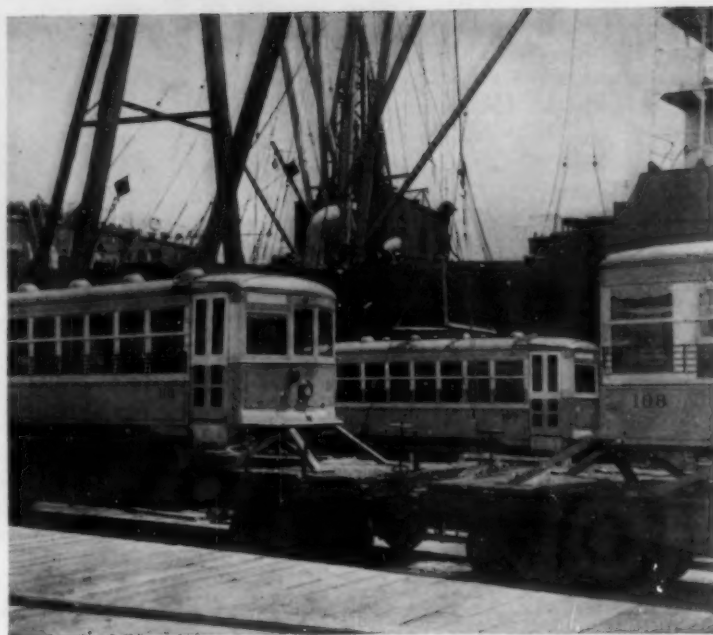
Current June indicators, including savings deposits, bond sales, and failures, reflect the deepening depression, while the ½% rise in the cost of living index, the first increase in many months of continuous fall, partly is the result of the burden imposed by the emergency decree, including the doubled sugar tax. Department store sales have been remarkably maintained, due mostly to the stimulating influence of spectacular price cuts.

Voluntary prolongation of the Ruhr coal cartel for 10 years ensures peace and a degree of stability in the industry, although it by no means relieves the present difficulties of disposing of 10 million tons of pithead stocks.

### Reaction to Moratorium In France Unfavorable

Business slightly improved....  
Textile strike partially settled....  
Reaction to moratorium settlement unfavorable.... Government to control French Line.

PARIS (Radio)—In the last trying week of the Franco-American moratorium negotiations, the French business outlook improved slightly despite the generally unfavorable French reaction to the whole plan for a moratorium.



USED CARS—These one-man cars will no longer clang through the streets of Boston; reconditioned, they are on their way to Paranaqua, Brazil

One of the most encouraging factors in the improvement is the partial settlement of the strike among the textile workers. When Premier Laval proposed to employers and strikers that an immediate wage cut of 1% be accepted and that an additional 2% become effective Sept. 1, workers and independent employers agreed, and nearly 35% of the mills reopened. Regular operators, however, have refused to consider these reduced wage cuts and the remaining strikers, despite the loss of \$15 millions in wages, are determined to hold out for the smaller cuts.

#### Fear Loss of Rights

If the business world is encouraged by this improvement in the strike situation and by the 4% reduction in unemployment during the week, it is utterly unenthusiastic over the acceptance of the Hoover moratorium plan, even with reservations, though it is expected they will benefit France. As a whole, business is less concerned over the sacrifices immediately involved, than with the growing realization that the Young Plan definitely is dead. Two factors loom large. One is that this year's budget deficit, already large, will be augmented by the \$80 millions of unconditional payments which had been counted as liabilities. The second is the fear that this loss will be increased next year by France's guarantee to other creditor countries in case Germany de-

mands a further moratorium. Early Franco-German political negotiations are scheduled to settle these problems but Paris is frankly skeptical of the results.

#### French Line Safe

French Line aid has become concrete but in a radically different form than was at first contemplated. The Chamber of Deputies has voted to rescue the line from the financial shoal on which it had drifted, but the Fabre Line aid is not to be accepted. The French Line is to come directly under state control. The debt moratorium on payments due the government is to stand as at first announced. So is the increase in the annual subsidy to come from the government. But all plural voting shares, representing 35% of the votes, are now transferred to the state, one-third of the board of directors will hereafter be state officials who hold the power to veto measures not in accord with the state's ideas of wise management. The immediate deficit of the company will be covered by a \$6½-million bond issue, guaranteed by the state. Other bond issues to cover the variously estimated deficit of from \$28 to \$40 millions are expected to be issued in the near future.

The whole plan is a startling departure from the general policy of the French government, which heretofore has been hostile to state capitalism in any form.

The foreign film quota decision has

officially been made definite, is operative since July 1. According to the new law, American films will enter France entirely outside any quota ruling. The old import license requirements and quota provisions are, as a matter of fact, only maintained against non-reciprocating countries. This leaves Germany the sole important producer in this category and negotiations now under way indicate that there is every likelihood that some agreement will be reached leading to the removal of the German restrictions. If this is accomplished, it will make France the most liberal country in the European film market.

### British Business Better Despite Debt Plan Delay

Tone good. Fullest psychological effect of moratorium settlement lost by delay. . . . Market active. Textiles better; wool steadier. . . . Government guarantees big new Soviet order.

LONDON (Radio)—Despite the uncertainty caused by the delay in settling the moratorium issue, the business tone is good. Settlement is received as a strong bull factor but the fullest psychological effect has been lost by delay and the near collapse it has brought to Germany. Cotton textiles are in a better position; wool is steadier. Nonferrous metals have staged a strong recovery. Commodities in general relapsed late in the week.

Stock markets continue to reflect reviving public interest. Just now interest is focussing on the long-awaited report of the MacMillan committee on banking and finance. Due July 13, it is expected to include some criticisms of the Bank of England policy.

#### Industry Moves South

During the current week, not a little interest has been attracted by the census reports which show a definite trend of industry from the north to the south of England and from the country to the city. Compared with the 1921 census, population has increased only 2 millions, or 5.52%, which indicates the lowest birth rate in 50 years.

Russian business still attracts British industry. Special government export credit guarantees were granted this week to cover the purchase in England by the Soviets of heavy industrial and agricultural machinery. The credits are guaranteed for 2½ years, the contractors themselves carrying 40% of the guarantee.

— in ESLEECK thin papers



that certain satisfaction of quality - definite assurance of permanency and adaptability for records - forms - copies - air mail, branch office and export correspondence. White for wide utility and colors to keep track of things. Various light weights.

The ESLEECK Sample Portfolio at your request

FIDELITY ONION SKIN - EMCO ONION SKIN - SUPERIOR MANIFOLD

**ESLEECK MANUFACTURING CO.**  
TURNERS FALLS - MASSACHUSETTS



### NEW MARKETS

A new book presenting opportunities for the development of new markets in Canada, the British Empire and the many countries with which Canada enjoys nation trade treaties has just been published. It will be sent on request without obligation.

Department of Development

**The Shawinigan Water & Power Company**

Power Building - Craig Street West  
MONTREAL, CANADA





Press Cliche

**MILK FOR MOSCOW**—Unloading milk from the trains at Factory Number 1, where 250,000 tons annually are handled. This is 3 times the quantity brought in before the war. Cream cheese, sour milk, and kephir are also made and distributed from this plant

## Expected Business Upturn In Italy Fails to Appear

Summer inactivity counteracts moratorium stock rally. . . Industrial activity slightly changed. Textile mills still operating at 65% of capacity. Rayon sales up. Shipyards get small new orders. . . Italy makes non-interest-bearing loan to Albania.

**MILAN (Radio)**—Hopes that the Hoover plan for a debt moratorium will create a business upturn have failed to counterbalance the falling-off in business due to summer inactivity. Least hard hit are industrials which are, in most cases, working only at a fraction of capacity. Textile mills, for example, are operating about 35% below capacity. Rayon is an exception, is steadily improving. Snia Viscosa is actually operating full time.

Iron and steel continue to show fair activity, and shipyards have on hand a fair amount of business. Most recent order is from the Greek government for 4 small warships.

To avoid a sharp relapse after the recent spectacular increase of 20% in stock exchange prices, banks are reported to be buying heavily of industrial shares.

Significance attaches to the recent

loan announcement from Rome. The government has completed plans to lend to Albania \$73,400,000 in 10 consecutive annuities of \$7,340,000. Observers who are following the moves of Germany and Italy to spread their economic influence in the Balkans, see in this move by Italy a gesture to strengthen Italy's hold on the Adriatic, weaken France's position in Yugoslavia.

## Trading Stimulated; Prices Up on Japanese Market

Live trading, prices steady. . . Chinese market for cotton goods improves. . . Balance of foreign trade still unfavorable.

TRADING in both stocks and commodities was lively on news of the success of the moratorium plan. Almost all security and commodity prices are up, textile milling shares showing the best gains. Raw silk prices reacted downward.

The continued upward tendency of cotton goods prices is due in part to better Chinese demand since the recovery of silver and the country's slow readjustment to the new purchasing value of the Mexican dollar.

Japanese foreign trade during the last half of June continued to show an

unfavorable balance. Imports totalled \$346 millions, wool being the only item showing an increase. Exports exceeded \$289 millions. In the export list, rayon goods, artificial panama hats, and tea showed encouraging increases.

## Latin America Displays Signs of Improvement

Business unchanged. No definite action has followed rumors of financial aid. . . Reports from Brazil favorable. . . Argentine outlook improves.

No moves have been made this week which would indicate that financial relief for Latin America is to be immediately forthcoming, though it is officially declared that the entire question of financial aid is due for an airing as soon as the German situation is cleared up.

In the meantime, there is no further word of developments in Chile, the country immediately in need of aid.

### Improvement in Brazil

Brazil continues to report improvement. Coffee prices rose when heavy frosts came to the growing area. State revenues are benefiting from the \$2.40 tax on all coffee exports. To this has been added a further 72¢ tax, effective July 1, to aid in the retirement of the old English coffee loan.

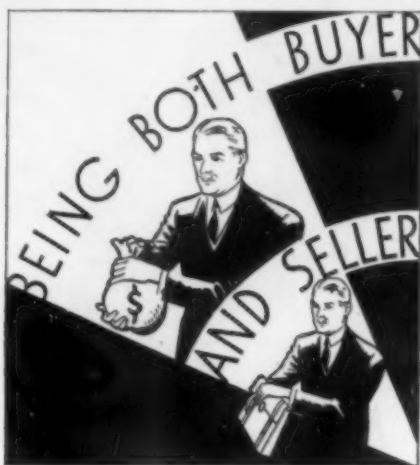
There was momentary optimism in São Paulo when it was announced that an agreement had been reached whereby Brazilian coffee growers will establish a chain of 1,000 coffee houses in Russia as a part of the program to encourage wider coffee consumption. Similar expansion in the Far East is contemplated as a part of the program to utilize the present coffee surplus to open new markets.

### Argentina Optimistic

The economic outlook in the Argentine is improving. Volume shipments of grains are larger than a year ago, peso exchange is better, the foreign trade balance is still favorable. An exportable surplus of 4 million tons of wheat is forecast, compared with 2,355,000 tons last year. It is also expected that there will be 1,600,000 tons of flaxseed for export, compared with 1,155,000 tons in 1930. June was the biggest grain shipping month in the country's history. The Ministry of Agriculture has announced that the German grain monopoly has started negotiations with the Argentine Embassy in Berlin for the purchase of 500,000 tons of Argentine corn.



*"One of the major problems of business—even when and as a measure of prosperity returns—is the elimination of waste in distribution and merchandising."* — EUGENE M. STEVENS, Chairman, Federal Reserve Bank, Chicago



**A**s a business leader you are on both sides of the fence of commerce—both buyer and seller. What you do in one capacity must logically influence the other. Most major executives are in this same position today.

During fast-moving, prosperous times administrative duties tend to draw the top men away from close supervision of sales and purchases. Sales campaigns often drive into far-flung markets at an expensive pace. Purchasing is left to subordinates. But—when times begin to tighten up, those same key men are quick to gather up the reins—take personal charge of both sales and buying. That's what is occurring, today!

Thus, you who are selling products or services to the business market, may now find that your salesmen can't get orders from the men they formerly contacted. Chief executives who today are guiding the buying operations of business, aren't used to seeing salesmen.

Most well-managed businesses are in an extremely liquid position, with ample cash reserves, inventories reduced and lots of equipment needed. Profitable business is still to be had. How? By placing sales messages before the executives—the men who can buy—through the advertising pages of *The Business Week*.

The most important group of executives in America regularly reads *The Business Week* for information and counsel. There is no "waste" here—no secondary audience. As a natural step in your present concentrated sales effort, this publication deserves prime attention. Its group of readers is comprised of concentrated business power. And the cost of its advertising pages is extremely low...less than one cent per sales message delivered.





## Dealing with Men Who Know Your Requirements

**T**O serve our commercial customers efficiently, our official staff is organized so that the requirements of a particular business, and conditions in a particular territory, are constantly being studied by a given group of our officers.

Thus, each of our customers has always available one or more officers who know his line, his problems, and how to utilize our experience, contacts, and facilities to the best possible advantage for his business.

We are always glad to discuss our service in detail with interested executives.

## Guaranty Trust Company of New York

140 Broadway

FIFTH AVENUE at 44TH STREET MADISON AVENUE at 60TH STREET

LONDON PARIS BRUSSELS LIVERPOOL HAYRE ANTWERP

CAPITAL, SURPLUS AND UNDIVIDED PROFITS  
MORE THAN \$295,000,000

© G. T. CO. OF N. Y. 1931

## Follow-Through Results Prove Cotton Week's Value

CONTINUATION of the effort to capitalize the momentum gained through the promotion of National Cotton Week, June 1 to 6, has produced excellent results for many manufacturers, wholesalers, retailers. Evidence is, that one of the major objectives of the campaign has been achieved, that the public has been made more "cotton conscious."

A check-up of results, made by George A. Sloan, president of The Cotton Textile Institute, which sponsored Cotton Week, has brought some interesting reports.

### June Sales Up

G. C. Murphy Co., chain of 171 variety department stores, records for the 2 weeks following Cotton Week a 21% increase in sales of cotton goods, compared with 1930, while sales in all departments increased only 17%.

J. N. Adams & Co., Buffalo, found sales of cotton dresses increased 57.03%, cotton draperies and curtains up 24% during the second June week, towels, sheets, etc., up 34% during the third week.

Burdine's, Miami, Fla., sold 25% more yardage of cotton goods, 10% more in dollar volume by capitalizing Cotton Week.

McGreevey, Werring & Howell, Inc., New York, resident buyers for 202 department stores, report cotton fabrics more popular than in many years.

D. H. Holmes Co., Ltd., New Orleans, La., used tie-in window display and advertisements, found sales of cotton dresses far ahead of 1930 figures, both in dollar value and units sold.

### Chain Increases

J. C. Penney Co., national chain of 1,452 stores, reports June shipments of cotton goods 10% higher than in 1930 in dollar value, 33½% more in actual quantity.

Howland Dry Goods Co., Bridgeport, Conn., had a jump of 39.64% in sales of cotton, 63.06% in towels, 11.48% in dresses.

Sears, Roebuck & Co. shows a record-breaking performance for several of its retail stores. In its Washington store sales of cotton goods jumped 76% in one week; at Long Beach, Cal., gains of 55% to 137% were shown in cotton goods departments; Indianapolis was 300% ahead of last year's sales while Pittsburgh showed a 97% increase in cotton goods sales.

The May Co., Los Angeles, Calif., reports June, 1931, sales volume of cotton goods 13% above that of June, 1930.

# The Figures of the Week And What They Mean

The expected slackening of business activity during the summer months has been accentuated this year by the world wide depression. . . . While few of the well known indicators suggest a reversal of the downward trend of the past few months, there is growing confidence that the near future will witness a strong revival of general activity. . . . Steel ingot production has been affected by the holiday and expects to remain at a low level during July and part of August. . . . Building construction during June forged ahead of May due to extensive awards in the public works and utilities group. . . . Check payments made the usual rebound for the mid-year, while commercial loans and currency circulation increased sharply. . . . *The Business Week* index of general business activity rose to 75.5% of normal compared with the revised figure of 74.8% the preceding week and 101.4% a year ago.

REVIVAL of steel production is expected to come from a recovery of general business activity rather than from individual steel consumers. The automobile industry continues to contract its orders, though the recession is not expected to be as sharp as usual. Production of cars and trucks in the U. S. and Canada for June is estimated at 254,760 units, a decline of 22% from May. The report of General Motors on sales to dealers and consumers for June was encouraging in showing sales to the latter group exceeding those of a year ago for the first time this year.

## Railroads

The railroads are not expected to bring much tonnage to the steel industry until the requested freight rate increase becomes effective and that appears to be too distant to aid immediately. The roads installed only 6,448 new freight cars during the first 5 months of 1931 compared with 42,122 last year, and 71 locomotives against 339. Building con-

struction promises the most hopeful source of demand, with a large number of projects pending. Tin plate shipments were almost as heavy in June as in May instead of the usual sharp decrease. This was attributed to the delay of can consumers in placing orders.

## Steel

The decline in steel ingot production over the holiday week-end to 23% of capacity according to Dow, Jones, has lowered our adjusted index to 47% of normal compared with 51% the preceding week. The American Iron and Steel Institute reports an operating rate in June of little more than 37% of capacity, the lowest since the summer of 1921. The June tonnage of 2,075,910 tons represents a decline of 17% from May against a 7% drop a year ago for the same months on a daily average basis. The total tonnage for the half year of 15,258,519 tons is over 35% less than for the same period of 1930. June pig iron production also reflects the low level of consumption of recent weeks, falling to 1,638,727 tons, an 18% decline from May and the smallest total for any month since February, 1922.

The sorry picture which such reports make is relieved by the reminder by the

## THE BUSINESS WEEK INDEX OF GENERAL ACTIVITY.....

### Production

	Latest Week	Preceding Week	Year Ago	Five Year Average 1926-1930
Steel Ingot Operation (% of capacity).....	23	33	48	65
Building Contracts (F.W.Dodge, 4-week daily average in thousands).....		\$12,576	\$23,273	\$23,216
Bituminous Coal (daily average, 1,000 tons).....	*1,124	†1,106	1,333	1,453
Electric Power (millions K.W.H.).....	1,576	1,593	1,621	1,427

### Trade

	Latest Week	Preceding Week	Year Ago	Five Year Average 1926-1930
Total Carloadings (daily average, 1,000 cars).....	127	123	156	171
Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	86	85	102	110
Check Payments (outside N. Y. City, millions).....	\$4,940	\$3,916	\$6,842	\$6,049
Money in Circulation (daily average, millions).....	\$4,848	\$4,765	\$4,555	\$4,804

### Prices (Average for the Week)

	Latest Week	Preceding Week	Year Ago	Five Year Average 1926-1930
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$ .49	\$ .60	\$ .82	\$ 1.22
Cotton (middling, New York, lb.).....	\$ 1.00	\$ 1.01	\$ 1.33	\$ 1.80
Iron and Steel (STEEL composite, ton).....	\$31.11	\$31.11	\$33.32	\$35.84
Copper (electrolytic, f.o.b. refinery, lb.).....	\$ .081	\$ .085	\$ .113	\$ .139
All Commodities (Fisher's Index, 1926 = 100).....	70.6	70.3	85.6	94.8

### Finance

	Latest Week	Preceding Week	Year Ago	Five Year Average 1926-1930
Total Federal Reserve Credit Outstanding (daily average, millions).....	\$963	\$957	\$1,076	\$1,333
Loans, Investments, Federal Reserve reporting member banks (millions).....	\$22,486	\$22,343	\$23,080	\$21,576
Commercial Loans, Federal Reserve reporting member banks (millions).....	\$7,945	\$7,837	\$8,525	\$8,756
Security Loans, Federal Reserve reporting member banks (millions).....	\$6,746	\$6,703	\$8,435	\$7,042
Brokers' Loans, N.Y. Federal Reserve reporting member banks (millions).....	\$1,455	\$1,479	\$3,203	\$3,786
Stock Prices (average 100 stocks, Herald-Tribune).....	\$123.20	†\$124.34	\$158.62	\$150.52
Bond Prices (Dow, Jones, average 40 bonds).....	\$95.79	\$95.38	\$95.28	\$95.55
Interest Rates—Call Loans (daily average, renewal).....	1.5%	1.5%	2.4%	5.8%
Interest Rates—Prime Commercial Paper (4-6 months).....	2%	2%	3½-3¾%	4.5%
Business Failures (Dun, number).....	413	422	435	429

\*Preliminary

†Revised

*Iron Age* that in the past such low production records have almost invariably been followed by sharp gains in a short time. The industry is reconciled to a continuation of the low levels of June during July and possibly August, but is fairly confident that an upturn will be apparent before the end of the summer.

### Building

The volume of building contracts awarded during the last days of June was greater than expected, so that our adjusted index for the week of June 26 was maintained at 61% of normal for the fourth consecutive week. A sharp increase in the volume of public works and utilities contracts at the close of June brought the June total to \$331,879,700, an increase of 8.4% compared with May. On a daily average basis, the increase is reduced to 4.3% above May. Compared with June, 1930, which was exceptionally high, a decline of nearly 47% on a daily basis is reported. Residential contracts for the month totaled \$72,744,700, a decline of 21% from May and 28% from a year ago, while non-residential contracts totaled \$104,623,000, a decline of only 7% from May and 44% from June, 1930 on a daily average basis. Almost half of the total contracts for June was accounted for by the group public works and utilities which amounted to \$154,512,000, a gain of 36% over May and a decline of 54% from June, 1930.

### Sharp Decline

A comparison of building contract awards for the first half of 1931 reveals the sharpest decline from the comparable period of 1930 in the non-residential class amounting to 42%, with public works and utilities ranking second with a decline of 30%. Resi-

dential contracts were only 15% behind 1930, though this group shows the sharpest decline when compared with the 6-month period of the years 1927 through 1929, when the decline ranged from 55% to 68%. Total building contracts were 31.5% behind the first half of 1930 and from 40% to 47% behind the same period of the years 1927-1929. The only increase shown over the past 4 years was in the group public works and utilities. The first half of 1931 for this group was more than 2% greater than the same period of 1928 and 10% greater than 1927.

Bituminous coal production has increased during the last week of June. Our adjusted index stands at 59% of normal compared with 57% the preceding week.

### Electric Power

Electric power production declined during the holiday week, but the decline was less than usual due to the holiday's affecting only the Saturday output instead of both Friday and Saturday as in 1930. Our adjusted index moved upward to 89% of normal compared with 87% the preceding week. The Geological Survey reports a 3.5% reduction in the daily output of electric power in May compared with April, though the decline from January of 4% is in line with seasonal expectations. A 5% decline from a year ago was reported for both May and April.

Grain and coal shipments were chiefly responsible for the increase in total carloadings for the week of June 27. A decline in merchandise less-than-carlot freight was offset by the increase in miscellaneous freight, but our adjusted index based on these two groups remains unchanged at 74% of normal. For the first half of 1931, total carloadings

### The Index

The weekly index of general business activity, first of its kind, is compiled by *The Business Week* from 8 series of weekly figures—steel mill operations, building contracts, bituminous coal production, electric power output, non-bulk carloadings, check payments outside New York, commercial loans of reporting Federal Reserve member banks, and currency in circulation. It shows the current level of the average daily physical volume of business as compared with the normal for the season and the year. Normal, represented by 100, is what the current volume of general business activity should be if the usual seasonal changes and year-to-year growth had occurred. For further explanation see *The Business Week*, May 7, 1930, p. 39.

have fallen over 18% from the same period of 1930 and 26% from 1929.

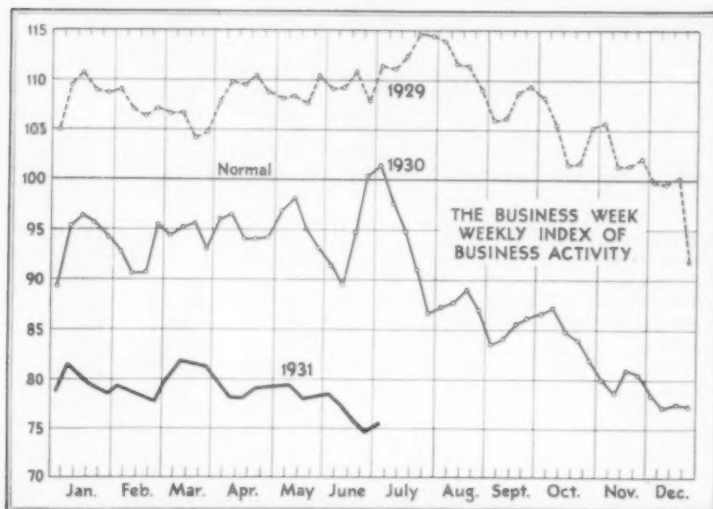
The volume of check payments covering the first week of July rose 26% in the 140 cities outside of New York. Our adjusted index moved upward to 81% of normal compared with 78% the preceding week. The June check payments increased but slightly over May as is customary, with the largest increases of less than 4% occurring in the 10 large financial centers of the country.

The week ending July 4 showed the usual sharp increase in the volume of currency in circulation. Our adjusted index remains unchanged at the high level of 118% of normal.

### Commodities

Commodity prices have shown slight weakness during the past week as the stimulus of the debt settlement petered out. Wheat, cotton, cocoa, copper, sugar, coffee, cattle, silk, and rubber turned downward. Our weighted wheat price has dropped from 74¢ a bushel during the week of June 19 to 49¢ during the week of July 3. The 10% reduction in cotton acreage reported on July 1 was less than hoped for by the trade. Acreage under cultivation is estimated at 41.4 millions, the smallest since 1923. The non-ferrous markets were quiet with copper dropping to 8¢ a pound. Steel scrap has firmed so that more hope is expressed that the low of the scrap market has been passed. Finished steel prices remain unchanged.

Commercial loans increased sharply during the week of July 1, raising our index to 112% of normal compared with 111% the preceding week.





# Trends of the Markets

## In Money, Stocks, Bonds

The American money glut increases, though offset for the moment by circulation and bank debt repayment. . . . Bonds go irregularly higher, bondmen are hopeful. . . . Stocks react on good news and Wall Street doubts.

### Increasing Money Supply Clamors for Employment

THE supply of money in the United States continued to increase this week, heightening the bankers' problem of utilizing it to advantage.

(1) Monetary gold stock rose another \$8 millions, of which \$5.5 millions were imports. Total stock now stands \$169 millions above June 3, yet bank credit has not risen.

(2) Money in circulation declined \$4 millions, increasing bankers' balances. But total circulation still is \$163 millions above June 3, mostly by virtue of last week's tremendous rise. Part of this is likely to return to the banks as the influence of July 4 holiday withdrawals wears off, further increasing their balances.

#### Credit Up \$10 Millions

(3) Federal Reserve credit outstanding increased further by \$10 millions. Total now stands \$22 millions above June 3. More importantly the Reserve system continued purchases of government securities, holdings of which have risen \$68 millions in 3 weeks.

(4) The declining stock market freed \$24 millions as brokers' loans dropped with the market. Out-of-town banks put more money on call, the window dressing period being over.

The increasing pressure of the hoard of money is partly offset by the large currency increase, the currency rise and the gold rise in recent weeks being just about equal. The return flow will, in all probability, soon destroy this balance. Commercial banks paid off much more of their debt to the Reserve last week with some of it, but their borrowings, outside of New York, rose a little this week. A heavy demand by banks for bankers' acceptances is a further sign of the pressure.

Important monetary transactions are in progress among central banks and including commercial banks. The Federal Reserve banks may extend the German credit next week, may grant other credits. The Reserve is also reported sending funds abroad for deposit. But these moves only slightly decrease the glut of money in this country.

### Wall Street Resurrects A Maxim and Some Doubts

AMONG Wall Street's numerous traditions—all to be taken with a grain of salt—stands one that all beginners learn. "Lower prices follow definitely

good news, higher prices bad news." Stock prices substantiated its forepart to precision this week, dropping heavily once Hoover and France had settled their moratorium differences.

Seemingly paradoxical, the old saw is rich enough in reason to bear watching. For Wall Street, unlike Lot's wife, looks ahead, not back. Once favorable likelihood becomes a fact, the astute take profits, base their operations on the future scene's prospects. One reason why so many sheep are shorn attempting short-term market play is that they await definite good news, unmindful of Wall Street's habits. Their money, like the life of one who did look back, departs.

#### Gloomy Forebodings

This near future to which the Street is looking reveals much gloom to those who look from Wall Street's vantage point of high-piled statistics. Depression's duldest business bears no profits, or such scanty ones that present dividend rates are often cheerless orphans. The market talks gloomily of details to be revealed when second-quarter earnings statements come out. It remembers that the railroads still cool their heels in I.C.C. ante-rooms and may do so unrewarded for many months; that in troublous Europe the Teuton's worry is not ended; that elsewhere down the middle of that patchwork continent all is not well.

Drawn by prospect of successful carnage, the ever-waiting bears have pounced down. Yet such uncertainty prevails that few know who chooses to be short and who is long of stocks, or what tomorrow's situation will be.

Most Wall Street prophets advise



## DON'T BUY AN ADDRESSING MACHINE ♦ ♦

unless it is the kind that ALSO PRINTS the forms it addresses!

Don't be satisfied with less than this DOUBLE-DUTY.

ONLY "ELLIOTT" can provide a popular-priced machine of the kind.

For complete information, pin this ad. to your letterhead and mail to the

## ELLIOTT ADDRESSING MACHINE CO.

(World's largest makers of Address-Cards & Automatic Address-Printers)  
CAMBRIDGE, MASS.



**IT** took courage for John Hancock to affix his bold signature to the Declaration of Independence. Great risks attended his act.

How like, yet how different, is *your* Declaration of Independence — *your* signature on an application for a life insurance policy.

It also takes courage to face life squarely and prepare for the future; but your act eliminates risk. It guarantees independence and safety to you and to your family.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

Inquiry Bureau, 197 Clarendon St., Boston, Mass.  
Please send me a facsimile of the Declaration of Independence. I enclose 4 cents to cover postage.

Name .....

Address .....

caution. Time alone will tell if the omnipresent speculative army correctly judges the events on which the market will turn in the near future.

But its current working facts and maxims consider just the near future. All are aware that the tremendous floods of pent-up credit, the huge commodity demand, may not be dammed back by timidity much longer. Washington has reached heights of optimism whence a clear dawn is visible. So the unwary bears may later be swept to that oblivion that the bulls are only now escaping after 20 months.

### Lower Grade Issues Share Stubborn Bond Recovery

THE bond market pursued its irregularly upward course again this week, and nearly all issues now stand at substantially higher levels than for several weeks, as shown by the chart on this page. The same halting recovery has occurred in lower grade issues as in the leading issues. The progress reveals the gradual fade-out of the threat of panicky demoralization.

The rails suffered something of a setback later in the week on the certainty that any relief they may hope for will not come before late in the year. The foreign section fluctuated on European news flashes, just as has the stock market to a considerable degree.

New offerings were small again, the largest number being state and municipal issues. The biggest single flotation was \$15 millions for the Federal Intermediate Credit Banks. Total issues were about \$40 millions. A sizable volume of new issues awaits conditions favoring a debut. Irregularity in the market plus signs of a glut among some dealers are still restraining influences. But many dealers believe that the situation will soon be relieved.

### Utilities Strong

Institutional buyers continue to concentrate on public utility and government bonds in the way which has made these groups outstandingly strong in the market. Latest weeks' figures show mutual savings banks, mutual life insurance companies and fire insurance companies buying more in utility senior securities than in any other class. Totals for recent months make federal, state, and municipal acquisitions largest for the period, followed by utilities.

Latest commercial bank reports reveal the same trend as in recent weeks: purchase of government bonds, sale of corporate issues. In part this has been for window-dressing purposes. There is strong opinion in bond circles that the trend is likely to be reversed within a few weeks. This, coupled with some re-investment buying and low money rates, will work for new strength unless the market is upset by some catastrophe or indication of disaster in the near future.



# JAMES W. DUBLIN, Rtd.

*Just A Little Love, A Little Kiss*

THIS was a tough year for Fourth of July orators.

Lean, indeed, was the chance to impress the folks with the glorious might of this whopping country. There were too many last season's straw hats clustering around the band stand, worn by citizens who were stuffed with sour news. The atmosphere provided a dangerously low ceiling for soaring hyperbole.

But the unkindest cut of all came from Mr. Hoover who used up the only high-class Fourth of July theme. He did it in advance (June 15, to be exact) thus leaving the Republican voice-heavers in a hole when the Fiesta of Firecrackers came around. Perhaps this was bad team work; but it made a good speech for the President.

Mr. Hoover, as perhaps you may remember, coupled prosperity and posterity into an Amos and Andy of the future and called it a plan. He referred enthusiastically to the 20,000,000 more people who will pad out the population in 20 years and if Mr. Hoover's optimism is carried out logically we will take the eagles off our \$20 gold pieces and put storks there.

More people, says Mr. Hoover, bringing the science of obstetrics into economics for the first time, will fix the country up O.K.

And this is the truth. It is also a piece of statesmanship the whole nation can get in on instead of leaving it to a committee.

\* \* \*

Mr. Hoover carries me back—back to that time when the first long pants were contemporary with many building curiosities. For one thing I could not imagine who bought sewing machines. Everyone, it seemed to me, had a sewing machine. You were born into it. Providence gave you a house, a father and mother and a sewing machine.

One day I inquired. We were standing on a corner, the sewing machine agent with his round, unworried stomach and myself. He was smoking the world's best 5¢ cigar against a background of Sen-Sen. As I put my question a hack drove past containing a pink female in a foam of white goods and a youthful male with shiny ears, a startled expression and a carnation in his sack suit lapel. They were fresh off the altar in the church around the corner.

"So you want to know who buys sewin' machines?" said the agent.

"Well, you just saw that blushing thing go by in that hack didn't you? She's goin' to buy a sewin' machine. Yep, you can bet SHE'S goin' to buy a sewin' machine."

Acting on the President's tip let those cynical interpreters of the American scene turn their attention from Standard Statistics to this freer and bolder thing the poets call life. Take a young couple. Any young couple will do—so long as they mean to do right by Mr. Hoover and help him out with his guarantee.

Take a young couple—hand in hand, thought in thought. Put 'em in a motor car, snuggle 'em away in a darkened movie auditorium, walk 'em on the seashore or give 'em first choice of a park bench. Where they are makes no difference. Unto her man the girl bestows a smile. For reply he squeezes her precious arm and envelops her with a tender, crunching look.

\* \* \*

They kiss. A faint tremor runs through the engravers of wedding invitations and caterers.

They repeat the osculation and the real estate agents and instalment practitioners get rhythm. Parting time comes—and the final embrace. Borden, Squibb, Mennen, Phillip's Milk of Magnesia, and the Crib Assemblers Association of America get a rosy hunch they are going to have a record-breaking year.

Time passes. Mr. Hoover takes over Mr. Coolidge's column.

Salesmen for anything are now bringing in phenomenal orders and getting their pictures in the house organ.

Sales managers are giving Rotarian talks on how to be a miracle man in merchandising.

Copy writers are telling Ad Club lunchers how they make copy that PULLS.

Corporation presidents are saying that never was industry on such a sound basis.

Bankers say nothing and start scrutinizing the collateral.

Prosperity is here—and each and all of these esteemed gentlemen think they did it.

No. matter. Life keeps its own rendezvous with itself and leaves the poms to men. The little children lead us with their laughter. They let the older and fatter thinkers harangue the cycles while the healing work of youth goes on.



—or are you trying to manage them by guesswork?

DO you KNOW what your trucks are doing all day? Are they putting in a real day's work?

How are you going to keep track of them all day when they are "out of sight, out of mind"?

The answer is in three words—

**"Install SERVIS RECORDERS"**

This little device on each truck puts on your desk every day a chart showing you every movement of the truck the day before—*Busy Time* and *Idle Time*.

That puts control right under your thumb—no "maybes"—no arguments. All automatic—the truck "writes" its own record.

**Save \$500 per truck per year**

Motor trucks are expensive to operate. The running time of a truck costs from \$3 to \$5 an hour! That's why delays, avoidable delays, are so costly. Half an hour per day *avoidable* idle time easily costs you \$500 per year. It's a big loss. That's why over 70,000 trucks are already *Servis Recorder* equipped.

The coupon brings the whole story. Act today; that's none too soon!

THE SERVICE RECORDER CO.  
Cleveland, Ohio

**Write for it TODAY!**

**THE SERVIS RECORDER**



THE SERVICE RECORDER CO. B-7  
Hanna Building, Cleveland, Ohio  
Please send us without obligation "10 Ways of Getting More Work out of Motor Trucks."

Company.....  
Attention of.....  
Street.....  
City & State.....



# THE BUSINESS WEEK

*The Journal of Business News and Interpretation*

July 15, 1931

## Beyond the Moratorium

BEHIND the struggle at Paris last week is something more significant than the final scratch of diplomatic pens on a piece of paper promising to postpone war debt and reparations payments for a year. The emergency action of the Administration, the aid extended by the Federal Reserve and other banking interests in rescuing Germany and other European countries from financial collapse and political chaos, are of extreme and immediate importance, and the world will make the most of their stimulus to recovery of confidence. But the greatest value of the events of the past month is that they have finally brought the world face to face with certain fundamental facts which we have ignored or evaded even though they have vitally affected our fortunes for ten years.

Norman Angell invited the world's attention to them thirty years ago in "The Great Illusion"; John Maynard Keynes recalled the world's reason to them more recently in "The Economic Consequences of the Peace." Now, after a decade of desperate effort to repudiate these prophecies, we are brought to realize their essential truth. War is inevitably economic waste. In modern society it can have neither victors nor vanquished. It is impossible for any nation to enrich itself, or even recover what it has lost, by collecting reparations from another. All stand to lose; all must pay the cost.

We should rejoice that the debt moratorium may mean the end of this depression, a reversal of destructive deflation, a renewal of credit expansion and confidence. We should realize more profoundly that it means the end of the reparations system, the ultimate and early liquidation of the delusion embodied in the disastrous treaty of Versailles.

Despite the diplomatic deprecations of official Washington and Paris one can read the handwriting on the wall. Hence the portentous

atmosphere of the Administration's move, and likewise the stubborn resistance of France, seeking to salvage every possible scrap from the wreckage of the unrealistic reparations structure which old-fashioned economics and diplomacy erected in the Peace Treaty. Everyone knows that reparations will not be resumed on the old scale and will ultimately evaporate. This will be merely a final acceptance of the fact that the costs of the war must be absorbed by all nations in the irresistible currents of modern economic interdependence.

In fact, they have been so borne so far, whether we know it or not, in spite of every effort to saddle them solely on a single nation. The breaking up of Central Europe under the treaty has so crippled its economic capacity that some of its countries have been living and must otherwise continue to live on a kind of international dole system. The effort of Germany to pay reparations, as she must, by abnormal and artificially forced exports, has been a persistent pressure toward price deflation, stimulating the erection of tariff and other trade obstructions and retarding international economic advancement for ten years.

The United States has undoubtedly lost more in trade than she has collected in war debts in the past decade. Only by a continuous extension of new credit by this country has this reparations and debt structure been nominally maintained at all. But this structure is in every sense an anomaly in the world economic system. It represents only an artificial and abnormal creditor-debtor relation, not the creation of real productive assets. No further extension of credit can convert it into such assets, and lending solely to preserve the reparations system is no longer justifiable, if it ever was. The sooner it is abolished by an all-round recognition of its unreality, the sooner will normal international economic relations be restored.

Published weekly by the McGraw-Hill Publishing Company, Inc.  
Tenth Avenue and 36th Street, New York. Tel. Medallion 3-0700.  
Price 15 cents. Subscription rate, \$5.00 a year; foreign, \$6.00  
Publishing Director, Jay E. Mason

Managing Editor, Marc A. Rose  
Economist, Virgil Jordan  
Marketing, O. Fred Rost  
Aviation, E. P. Warner  
J. F. Chapman Wadsworth Garfield  
Washington, Paul Wooton  
European News Director,  
7 Boulevard Haussmann, Paris

News Editor, Ralph B. Smith  
Art Director, Perry Githens  
Finance, D. B. Woodward  
Industrial Production, K. W. Stillman  
F. A. Huxley R. I. Carlson  
Chicago, John Millar  
Elbert Baldwin  
Cable Address: Busweek, Paris